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WEST EUROPE REPORT

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POLITICAL FEDERAL REPUBLIC OF GERMANY

DGB MEMBERSHIP INCREASES 0.9% IN 1985

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 22 Feb 86 p 5

[Unattributed article: "DGB Reports Membership Increase"]

[Text] Bonn, 21 February (AP)--For the first time in 4 years, membership in the labor unions belonging to the DGB rose again last year. According to a poll conducted by the ASSOCIATED PRESS, membership in the 17 constituent labor organizations totaled 7,727,000 at the end of 1985--which is 67,000 or 0.9% more than the year before. The highest membership figure ever attained by the DGB was 7,957,000 in 1981.

The greatest increase in 1985 was registered by the 2.55-million-strong metal workers union which gained 55,000 new members or 2.2%. The percentage increase was the same for the commerce, banking and insurance workers union . It now has 371,000 members and thereby took over the sixth spot in the DGB family from the railroad workers union. The transport workers and chemical workers union, which held on to their No. 2 and No. 3 positions, both managed to add 11,000 members during the past year.

Whether an individual union gained or lost members during the course of 1985 appears to have depended in the main on employment trends in that particular sector of the economy. Among the unions which lost members were the construction workers, the railroadmen, the textile workers and the miners as well as the teachers and scientists, the wood and plastics workers and the police. The hotel and restaurant employees and the postal workers unions manged to post gains.

Despite a loss of jobs in the shoe and leather industry, membership in the leather workers union rose by 1.5 percent to just under 50,000 which means that more than 50 percent of the labor force in that branch of industry was unionized for the first time ever. The reason given for this development by a union spokesman is said to be heightened awareness among leather workers due to repeated plant shutdowns.

In response to a query, a union spokesman traced the increase in union membership to the increase in the number of jobs during the past year. "Some of us refuse to accept the fact that the loss of jobs was the reason for the drop in our membership," the spokesman said. "So now we cannot really claim that the higher membership figures are all our own doing."

Because of problems in compiling membership figures the railroad workers and fine arts unions were only able to provide estimates, which are said to be reliable, however. By September 1985, the fine arts union was said to have lost almost 10 percent of its membership. According to the union, the reason for this is the fact that some regional unions quit the parent union in connection with the establishment of the media employees union.

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UNIVERSITY PRESIDENTS CLAIM ENROLLMENTS ARE UNDERESTIMATED

Bonn DIE WELT in German 7 Feb 86 p 10

[Article by Eberhard Nitschke: "University Presidents Deplore "Drastic Cuts"]

[Text] Bonn--The number of university students in the FRG and West Berlin has risen much more since 1975 than official statistics tend to indicate.

This is the result of a poll conducted by the West German Association of University Presidents in Bonn which asked 165 of its member institutions to provide information on their financial status. The survey found that the rise in the number of students between 1975 and 1983 did not amount to 43.6 percent as had previously been assumed but to 61 percent. According to the survey, there are 976,000 students enrolled at universities and another 276,000 at technical schools.

While the number of first-year students increased by 33 percent and that of university students overall rose by 43 percent, the number of faculty members increased by just 10 percent. Government support for the universities increased by 49 percent, the survey found; but in real terms this amounts to a mere 20 percent "when compared to an average annual rise in the cost of living of only three percent."

The figures for the technical schools are even less encouraging where the number of first-year students increased by 60 percent during the same time period while the total student population rose by 90 percent. At the same time, the number of faculty members increased by just 3.5 percent. Once the rise in the cost of living is factored into the additional government support, those payments have registered an increase of just about 10 percent.

The survey findings were announced by Prof Theodor Berchem, the president of the West German University Presidents Association who deplored the fact that the policy of "drastic economy measures and cuts" at the universities has been going on for a good 10 years now. Temporary hiring freezes which did not show up in the official statistics, he said, have in effect resulted in as much as a four percent drop in the number of faculty members. Slight budget increases gave the appearance of growth but were in fact used up by the rise in costs which is particularly marked in the higher learning field, he added. Between 1975 and 1983, costs for student and technical support personnel and for research contracts rose between 45 and 55 percent.

The survey also found that the so-called "efficiency reserves" in the higher learning field cited by the Laender finance ministries at regular intervals "have been used up during the long period of underfunded budgets and lowered personnel ceilings." In other words, there is no hope of setting free any such reserves by "programs of heightened efficiency" which are demanded over and over again. Should this policy continue, it would inevitably lead to a further loss of quality in education and research. 113 of the 165 member institutions responded to all the questions on the questionnaire and returned it to the association. According to the survey, Berlin was the only Land not affected by personnel freezes.

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CSO: 3620/593

PAPER ON NAMING ESKO OLLILA FINANCE MINISTER

Helsinki HUFVUDSTADSBLADET in Swedish 4 Feb 86 p 2

[Editorial by Inger Jagerhorn: "Esko Ollila Introduces Himself"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] The new finance minister, Esko Ollila, has already managed to make a statement about a sensitive question, namely taxation of bank deposits. Inger Jagerhorn comments in today's second editorial.

Our new finance minister since last Saturday, Esko Ollila, has said that he is going to begin carefully. He has, however, already managed to state, among other things, that the banks have too much power, and he has predicted that the subterfuges surrounding the sale of Oulu Oy can be expected to lead to a government crisis. Besides that, he has made a very controversial statement.

Specifically, Ollila raised the question of whether the tax-free status of bank deposits should be abolished. That is an old question which usually sets feelings seething, and the reactions have really been surprisingly feeble.

Savers are of course a patient breed who are accustomed to being stepped on, and they are also a little furtive, if one may say so. The interest which savers have received for their money has for a very long time been lower than inflation.

This has meant that savers have by no means been compensated for giving their money to the banks for further lending. The interest has not even been able to keep the original value of the capital intact, it has been nibbled away at the edges by inflation.

Now as we all know the situation has changed. The low rate of inflation means that for the first time savers can expect that the interest will be a real reward for saving, a real earnings possibility. And now, when the situation is finally brightening, the discussion of taxing is coming up!

The argument for the tax is as follows: a person can save in several different ways, and all should be equal in the eyes of the tax laws. Most people save just to have money in a bank account, some save to buy stocks, quite a few to buy bonds, and some in real estate of different kinds. (The so-called saving for housing purposes involves simultaneous encumbering with debt, and is not a part of this discussion.)

Therefore one can earn money with money (capital) as one can earn money with labor. Why should one form of earning be tax-free and another not? Bank savings but not wages, bonds but not stock dividends?

And the arguments against the tax? There are mainly two: it is not easy to take an existing benefit away from people, in this case a tax-free benefit. And "people" in this case, furthermore, are a majority of the population. Most have some kind of a bank account, and feel imposed upon, actually threatened, by the proposal to tax. And secondly, taxing bank interest would mean that the taxing authorities would learn what people have in the bank. The previous basic bank secrecy would be violated.

This is what is really behind the reactions of those who say, "then I would rather keep my money in the mattress." Of course it is not just the savings that Ollila wants. If they tax the basic capital itself we are talking about something entirely different. Then we are talking about confiscation of property. But now we are talking about taxing the return of capital, the interest. And naturally not all the interest, just as we do not pay tax on all our wages. The effort is to make all forms of income equal.

To violate bank secrecy and allow sample investigations of accounts is a more difficult question. In the eyes of the common man that comes near to violating the sanctity of private life, nearly trespassing, to pry into people's savings. These attitudes can be very ingrained.

The ideas of the new finance minister are therefore controversial. They should be thoughtfully considered, but then one must begin at the right end: abolish tax-free bonds. This already requires a considerable transition period, as it is a question of long term investments.

Then after that one could begin discussing bank deposits. And in that case it could be conceivable to discuss deposits of considerable size, say over one hundred thousand marks, which can be compared with regular capital investments. The average ordinary bank saver's small account should be left alone. Furthermore it is of course obvious that any eventual tax should only be imposed on interest which is greater than the rate of inflation.

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POLYNESIAN LIBERATION FRONT LEADER ON INDEPENDENCE

Paris ROUGE in French 16-22 Jan 86 p 13

[Interview with Oscar Temaru, leader of the Polynesian Liberation Front and mayor of the municipality of Faaa, by Vincent Kermel: "The Idea of Independence Making Its Way"; date and place not given]

[Text] Oscar Temaru, leader of the FLP and mayor of the municipality of Faaa, passed through Paris last month. He outlined for us the situation in Tahiti and the response of the supporters of independence.

[Question] What is the principal characteristic of French colonial domination in Polynesia?

[Answer] France is a signatory of United Nations Resolution 1514, which includes a clause that condemns the establishment of military bases and even more nuclear testing in the Pacific. The latter is carried out without the agreement of our people. Following the independence of Algeria, the government decided to find another site for its nuclear tests and since 1963 we have seen our way of life disrupted by the arrival of this foreign military force. The economic, political and social systems have been changed. Up to then we had a rather balanced balance of trade. We lived from fishing and agriculture.

Since the arrival of the army, several families have left their native islands and have established themselves primarily in the municipality of Faaa. Those families, which arrived 20 years ago, have rented plots of land and are still living in precarious circumstances.

The municipality of Faaa has experienced a real demographic explosion tied to the massive arrival of the French army in Polynesia. In 1963 we had 3,000 inhabitants. In 1985 there are 23,000 of us, with all the social problems one can imagine.

[Question] In playing the devil's advocate, one may recall that the main argument in colonialist propaganda involves the so-called positive fallout of the French military presence on the Polynesian economy. What is the truth about this?

[Answer] An artificial economy can never be profitable, neither for the country nor for the people. The Polynesian colonial economy is artificial. There is nothing solid about it, and it does not correspond at all to the needs of the people. We are feeling the consequences of this situation. The army has recruited, and so has the administration. But the recruitment of policemen and teachers cannot go on indefinitely. That is absolutely not productive. And yet, that policy has been conducted in the territory at the expense of the primary sector: fishing and agriculture. That was done on purpose. The French government has done everything in its power to make us dependent on foreign countries. This is true for our food needs and other needs which were created even though they did not represent a necessity.

There are other problems such as the problem of education. After high school there is nothing in Tahiti. Our children have to go to France. And yet, there are opportunities for university studies in the Pacific, in Fiji, in Papua, New Guinea. But a student who earns a degree from those universities will not be able to practice in Tahiti. He needs a French diploma. So that a century after the annexation of Polynesia by France, Tahitian college graduates can be counted on one's fingers. We have only one Tahitian doctor for example.

[Question] What is the internal economic structure of Polynesia?

[Answer] The local commercial economy is in the hands of the Chinese. That immigration is an ancient one. But we are afraid of a new Chinese immigration from Hong-Kong; some people worry about the situation over there with the new statute expected for 1990. Immigration from everywhere, especially from France, is encouraged by the government as it is in New Caledonia. Furthermore, it is always the same political class which governs our country, that is to say the "halves."

[Question] What is the situation of the Polynesian independence movement?

[Answer] Since the establishment of the FLP in 1976 we have taken a major step forward. We were a small group described as a "tiny group." And for 3 years now we have held city hall in Faaa. The idea of independence is making its way. It appears in all conversations. Everyone talks about it.

[Question] Isn't there a risk that the autonomy status will progressively develop into a form of neo-colonial independence?

[Answer] While we are in favor of independence, we are also against what could be called neo-colonialism. Because if independence has to be achieved with the capitalists who live here, then we say "no." We want a profound change in our system of life. We reject the consumer society which has been imposed on us. We must base our economy on something much more realistic.

Hence, that danger actually does exist. Gaston Flosse, president of the government Council, used the antinuclear mobilization in March of last year to blackmail the president of the Republic. He aimed to obtain greater authority for the local institutions and more subsidies for his territorial government. It is a permanent institutional blackmail. Consequently, we are afraid that people from the right will use us for their neo-colonialist policy.

[Question] Would it be possible to speak of a Kanak impact on the Polynesian situation?

[Answer] At the time of the Kanaky events, the news had an impact in Polynesia. Many people have family in Kanaky and thus they follow the evolution of the situation over there very closely. Their reaction in this respect is very simple: what happens in Kanaky could also happen here. That helps the independence movement to move things forward in Polynesia.

[Question] There is a sizable Tahitian community in New Caledonia. How is it reacting to the events taking place in that country?

[Answer] I was invited to attend the FLNKS congress in Hienghene a few months ago, and I met several Tahitian families. Some of them have been established over there for more than 20 years and the majority come from the municipality of Faaa. The Tahitians living in the jungle have completely joined the Kanaks, except for a few families. Those living in Noumea are somewhat worried and anxious. I have talked with them and I understand their position. Even though they are in favor of independence, they cannot express themselves openly because they are afraid of the reactions of the people on the right.

"You have to understand us," they told me, "if we openly express our support for the New Caledonians, then we will have trouble with the Kanaks. If we state that we belong to the FLNKS, then it is the people from the right who come and burn down our houses. So that we prefer to wait and see and do nothing. But in our hearts we are with the Kanaks."

[Question] Are there any prospects of unification among the various independence seeking forces in Polynesia?

[Answer] We are going to work at it. That will not be a first attempt. We have already tried to get together, but without success. We hope that next March we will be able to bring everybody together. During our next congress we will ask the militants to establish the new independence Front.

[Question] What do you expect in terms of solidarity from the anti-colonialist militants in France, the labor movement and democrats in general, relative to your struggle?

[Answer] At the local level in Tahiti we have perhaps neglected the work of information in the direction of France. As contacts with the Kanaks multiplied, we found out that they were also supported by certain organizations in France. I draw a conclusion from my trip to the FRG: we must have contacts in France. I am very happy to have met Alain Krivine. We need support: financial, political and moral. We need help because in our struggle we are up against more than our match.

Archipelago Under Domination

An archipelago of 4,000 square kilometers of land, consisting of 120 islands spread out over a vast expanse of ocean, representing 2 million square kilometers, Polynesia under French domination includes 170,000 inhabitants. A large number of them are concentrated on Tahiti. The artificial character of the colonial economy is illustrated by the importance of the non-productive sectors. In 1980, the tertiary sector, including the administration, represented 76 percent of the gross domestic product. Agricultural production is weak and mining resources limited, as is the manufacturing industry. On the other hand, tourism, imports-exports and the French military presence are important activities there. The Pacific Experimentation Center [CEP] alone represents 12 percent of the local salaried manpower (or 9,000 civilian and military employees), 55 percent of foreign financial support, and 28 percent of the imports.

The local population, 75 percent of which is Tahitian (Maori) also includes Chinese immigrants (10 percent) who hold the reins of trade. The "halves" or half-breeds who have adopted colonial behavior (15 percent) in turn have gathered political and administrative power for themselves.

Since 1982, Polynesia has been administered within the framework of an internal autonomy status comparable to that which provoked the revolt of the Kanaks in New Caledonia by a team behind Gaston Flosse, president of the local government with ties to the French RPR [Rally for the Republic]. This autonomy status strengthens the power of a local stratum of bourgeoisie which for the moment is not worried by a divided independence movement.

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PCI'S NAPOLITANO ON CONGRESS TASKS, USSR

'Appreciate Gorbachev's Innovations'

PM241153 Rome L'ESPRESSO in Italian 16 Feb 86 pp 14-16

[Interview with PCI Directorate member Giorgio Napolitano by Giovanni Valentini; date and place not given]

[Excerpts] [Valentini] What specifically in this legislative term could lie beyond the horizon of the five-party coalition vis-a-vis parliamentary alignments?

[Napolitano] When we talk about a "program government" we are issuing an invitation to all the democratic forces, without any exclusions or preconceptions. The first job should be to draw up a list of problems whose urgency or importance demand very broad cooperation by the political forces; this should be accompanied by an assessment of the chances for agreement on what solutions to apply to these problems, that is, on a very limited program, and on what kind of government should implement it. Maybe nothing would come of it. But the attempt must be made, both because the five-party coalition no longer stands up and because there are some really pressing issues that cannot be resolved without an agreement with the Communist Party.

[Valentini] Is there a little nostalgia for the historical compromise behind this line of reasoning?

[Napolitano] As far as I am concerned, absolutely not. I am convinced that the conditions must be created as soon as possible for a political-cum-institutional dialectic similar to that which exists in all the other Western democratic countries. So we must work to ensure the free and untraumatic rotation of various political alignments in the country's leadership. However, we are in a phase that may demand transitional solutions, more or less emergency solutions more or less characterized by the influence of the institutional problems, though of course they are not the only ones that need to be solved.

[Valentini] Is there or is there not a difference between the "program government" and the "constitution government" proposed by Ingrao at your latest Central Committee session?

[Napolitano] A war of formulas is not what is needed. I hope that the party will not split over formulas at our congresses. What is needed is an endeavor to understand the substance of the issues worth debating--first and foremost the extent and nature of the institutional reforms to be carried out, and, more generally, the policy foundations on which to seek an understanding among various democratic forces for a government that will mark progress beyond the five-way coalition.

[Valentini] Looking at the medium- and long-term prospects, Mr Napolitano, what role could your forthcoming congress play?

[Napolitano] It can thoroughly qualify our party as a force which stands as a candidate for the country's government in a period of deep transformations which must be guided toward really progressive social objectives. This requires that we free ourselves of any residual ideas or attitudes that would move us in the opposite direction.

[Valentini] What attitudes, for instance?

[Napolitano] Attitudes too closely bound to the defense of obsolete positions and demands, whereas it is necessary substantially to reappraise the problems of development, labor, and the welfare state in relation to technological innovations, current international competition, links with the environment, the public finance crisis.... These are problems that must not be dodged by adhering to a stance of merely condemning the admittedly unacceptable policy pursued by the five-party coalition or by yielding to demagogic thrusts, or even by making unrealistic proposals (as in the energy field for instance.) Indeed we must overcome any tendency to remain confined to our old social stock or to pursue minority groups instead of throwing open the door of our party and our policy to new forces of skilled workers, experts, and intellectuals, new professional and entrepreneurial groups. It is on this that the significance of our congress depends--on this and also on our international image....

[Valentini] Yes, Mr Napolitano, foreign policy: You are surely not unaware that this remains the source of the greatest suspicions in your regard.

[Napolitano] We can demonstrate that external vetoes to the PCI's participation in government no longer stand up and that Italian political forces can no longer find any pretexts in our international position or our stances on Italian foreign policy. We consider ourselves an integral part of the European left: We are involved in a joint quest with major socialist and social democratic parties, from which we are not divided by any barriers of the past, especially in the foreign policy field.

[Valentini] But Natta's recent visit to Moscow gave the opposite impression, that is, of a revival of pro-Sovietism within the PCI.

[Napolitano] No, Natta went to Moscow--as Willy Brandt and Neil Kinnock have recently done--to speak on behalf of a major national democratic party and one of the most significant forces of the European left, which is fighting to assert an autonomous role for Europe without challenging the alliance with the United States.

[Valentini] But is there not a danger of nurturing too many hopes with regard to the "new course" introduced by Gorbachev?

[Napolitano] We have appreciated--and are certainly not the only ones to have done so--the innovations that Gorbachev has introduced into the style of Soviet politics and into the USSR's specific stances on the problems of detente and disarmament. There is no question of rooting for the Soviet Union again. However important we consider them, we do not identify even with the USSR's new disarmament proposals. Nor are we venturing an assessment regarding the possible actual developments of the policy of regeneration inaugurated by Gorbachev in the Soviet Union. We are watching with interest and objectivity the good and innovative things that are developing, imparting to our relations with the CPSU a new, entirely political, nonideological character and standing firm on our complete autonomy of assessment.

[Valentini] With regard to democracy, another "Cussutta case" seems to have exploded within the PCI, with a tendency to shift internal dissent to the disciplinary plane.

[Napolitano] No, there is no intention to use disciplinary suppression. This is the first time in the PCI's history that leadership members have stood by their amendments to congress theses even after their rejection by the Central Committee. We have broken the taboo whereby disputes originated and were closed within the leadership group. But now we want to prevent the organization of currents and factions--and in the cause of the presentation of Cossutta's book in Milan, it was undoubtedly an organized demonstration.

Napolitano Clarifies Response

PM261553 Rome L'ESPRESSO in Italian 23 Feb 36 p 177

[Letter from PCI Directorate member Giorgio Napolitano: "Cossutta and the PCI"]

[Text] The wording of my reply to the last question in the interview published in issue No 6 of L'ESPRESSO may have caused a misunderstanding which I would like to dispel. The event organized in Milan to launch Cossutta's book caused us to worry about the introduction into the pre-congress debate--whose complete freedom we all want to fully guarantee--of elements of growing crystallization and opposition likely to encourage the formation of currents and factions.

In other words, I did not intend to define the Milan initiative as an explicit meeting of a current but was identifying in it worrying elements of a tendency which, unless combated, could lead to such outcomes.

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POLITICAL ITALY

PCI, PSI OFFICIALS WEIGH GORBACHEV REPORT

Interview With PSI's Martelli

PM281143 Rome LA REPUBBLICA in Italian 27 Feb 86 p 5

[Interview with PSI Deputy Secretary Claudio Martelli by Albert Jacoviello in Moscow; date not given]

[Text] [Jacoviello] This is the first time that representatives of communist and socialist parties have sat down side by side at a congress of the Communist Party of a country directly or indirectly responsible for the split that occurred in the socialist movement 7 decades ago. What impression did this extraordinary and perhaps symbolic fact make on you?

[Martelli] Actually this is not the first time for us Italian Socialists. I cannot now tell you the date but certainly it did happen before, in Nenni's time. However, it certainly has not happened for many years. I should remind you that the Soviets attended our congresses even during the Craxi period and despite the violent and furious controversies launched by PRAVDA under various circumstances and for various reasons, especially at the time of Italy's decision to deploy the missiles on our territory.

[Jacoviello] Why did you agree to come this time?

[Martelli] Our decision has to do with curiosity, a desire to find out about the new things happening here. Perhaps one would have to go back to the Khrushchev era to find a similar situation. So it is natural for us to want to listen to the new CPSU general secretary--who represents an innovative element in the Soviet Union's leadership--to discover how he expresses himself and what he thinks.

[Jacoviello] So now that you have heard him can you give me an initial assessment particularly regarding the part of his report that concerns the state of the world, so to speak?

[Martelli] The general impression is certainly interesting. Gorbachev spoke a new language to some extent. But let us consider in what way. While the part devoted to a kind of sketch of the state of mankind seemed to me marked by a strong ideological stance, in subsequent sections, in connection with both domestic and foreign policy, I believe I perceived some different points from in the past....

[Jacoviello] But many people considered it important that the CPSU general secretary recognized that in the world we are living in no single country or group of countries can aspire to solve the problems on its own. Did this not make the same impression on you?

[Martelli] Yes, this threat runs right through the report and represents not merely a reaffirmation of but an outright new momentum, in grand style, for peaceful coexistence. In this respect I find the political part much more interesting than the ideological part.

[Jacoviello] It seems to me, however, that there is an outright change of viewpoint in the reappraisal of world affairs.

[Martelli] This is true. But with regard to what I said earlier, I want to admit to you that the person I was most reminded of was Pope Wojtyla--great rigorousness in defense of the Catholic religion but at the same time great political flexibility. The same can be said of Gorbachev--on the one hand a great dogmatic rigidity and on the other a great political open-mindedness.

[Jacoviello] You compare Gorbachev to Pope Wojtyla; I once compared him to Dubcek and on another occasion to John Kennedy. What is he really like?

[Martelli] The comparison with John Kennedy seems inappropriate except in the very general sense that Gorbachev too aims to reform the system without changing it. But in that respect one could cite all kinds of people.

[Jacoviello] Do you have any criticisms to make of Gorbachev's report apart from your rejection of its dogmatic aspect?

[Martelli] Well, I must say that one is somewhat shocked to hear that the socialist world is the cradle of humanism when what we are talking about are regimes such as those of Jaruzelski, Husak, or Kadar, or about Afghanistan....

[Jacoviello] So you perceive a number of good things and a number of bad things?

[Martelli] I am certainly not persuaded to alter my verdict on the system. In any case, I ought to point out that there is a surprising total absence of criticism of the foreign policy conducted by the USSR, alongside a number of criticisms of domestic policy. After all the Soviet missiles were deployed when the Carter administration was in power in America and when governments in Europe were not hostile to the USSR.

[Jacoviello] Now Gorbachev says he went to dismantle them....

[Martelli] That is true but it is difficult not to believe that it is due to the show of weaponry made by the West in recent years rather--in the absence of any critical observations--than to a new course in Soviet military policy.

[Jacoviello] There is a widespread impression that the wide representation of socialist parties could mark the beginning of a more general reappraisal of the state of the workers movement, not just of the so-called communist movement. If the Soviets were to do what Giorgio Amendola once proposed when he said that the two wings of the workers movement had each committed 50 percent of the mistakes so it would be preferable to meet each other half-way, how would Italian Socialists respond?

[Martelli] I do not believe there were any such indications in Gorbachev's report. The language adopted was one of a general, albeit kind, appreciation of our role and an appeal for the joint defense of peace.

[Jacoviello] Have you had a chance to exchange ideas with representatives of other socialist parties and to gather their impressions of the congress?

[Martelli] I have not had time. I would like to point out, however, that the highest-ranking delegations are the French and Italian. But perhaps this is the result of the direct contacts that have taken place between Gorbachev on the one hand and Mitterrand and Craxi on the other. Be that as it may, it is our intention to take every opportunity for contacts and dialogue with the new Soviet leaders.

Commentary by PCI's Bufalini

PM281703 Milan L'UNITA in Italian 27 Feb 86 pp 1, 16

[PCI Directorate Member Paolo Bufalini commentary: "That Famous 'Propulsive Thrust'"]

[Text] The opening of the 27th CPSU Congress, with the sharp swing imparted by Comrade Gorbachev's report, reminds us of the 20th congress, of the great event of 30 years ago. However, there are some profound differences. Of course the new CPSU general secretary is shaking things up, issuing a cogent critique of the 20-year Brezhnev era, and vigorously and resolutely reintroducing the antihetorical and antidogmatic style and climate, the spirit of clarity and truth. The swing imparted by Khrushchev was more dramatic--Gorbachev's is more cautious and calmer but, perhaps precisely because the time is more than ripe and in fact there has been a serious delay, it is more far-reaching.

Gorbachev's approach is split between two interconnected levels--the need for a domestic "radical reform" and the development of a bold and consistent international initiative for arms reduction accords and peaceful coexistence.

On the domestic plane--and first and foremost on the socioeconomic plane but also, albeit less directly and more vaguely, on the cultural and even the political plane--Gorbachev's report reveals new elements and pointers of which there was no trace in the 20th congress. At that time, in that unforgettable congress of 1956, the dominant issue was the "violations of socialist legality," "Stalin's personality cult," the Stalinist leadership's "noncollegial" or "despotic methods." There was a dramatically urgent need to release the victims of a huge and tragic repression from the hard labor camps and prisons and also to rehabilitate the dead, to deal fairly with their memory.

Khrushchev also issued an extraordinarily vigorous indictment of the dominant inefficiencies and dogmatism. But he was unable to go beyond that. The repercussions ensued, and then the long gloomy and stagnant Brezhnev period.

Market Reassessed

Gorbachev, however, is not only talking about "reform"--and "radical" reform--for the first time in the CPSU but is also issuing important pointers. In planning, the role of a central leadership is to define only the major general guidelines, overall proportions and balances; but it must not interfere at lower levels of the economy. For the rest the sights are being set on the initiative and autonomous responsibility of grassroots and provincial enterprises and bodies. It is clearly asserted that all earnings--for each individual worker, each enterprise or cooperative--must be proportional to the qualitative and quantitative yield of the work done.

There is a reassessment of the market's function as a yardstick of efficiency and productivity. There is the assertion of the need for self-management and democratic supervision in the heart of the production organization and in social life. There is unqualified criticism of "the pedantry, dogmatism, and formalism that have caused, and are still causing, a stagnation of thinking." There is condemnation of persisting instances of conservative resistance within the party, which must be overcome to bridge the gap between the party and the country's great energies.

All these pointers are aimed at encouraging the citizens' initiative, interest, and broadest participation in the production process and in the process of economic and social deliberation, decision-making, and supervision. Of course when we talk about (political) democracy and socialism we mean something broader and different but we do not presume to dictate our own model to others. Nevertheless we believe that the major issue of the political rights and civil liberties that must be guaranteed in a socialist system remains unresolved.

The Reply to PRAVDA

May I now be permitted to point out, however, that when we Italian communists spoke, following the grave Polish crisis, of the "exhaustion of the propulsive thrust of the models which emerged from the October Revolution" we clarified the significance of this in a lengthy document published by L'UNITA on 27 January 1983 ("reply to PRAVDA"). It contains the following passages, mong others: "...in the most varied forms--on the basis of the conditions hat have come about during the course of history in each country--democracy nd socialist must be united: both democracy within the production process d at the same time political democracy. The major innovations of the 20th SU Congress demanded reforms that would proceed in this direction.... But progress has been made along this path: in fact there has been a standstill d, we believe, even a regression. We are convinced that if the Communist ty in these countries succeeds in leading a properly directed process of reform, crises will be averted and it is our desire to help, through our criticisms and sincere deliberations, encourage this task of regeneration...." Now Gorbachev's sharp condemnation of the long stagnation accompanied by degenerative processes confirms the correctness of the stance we adopted at that time.

Of course the "reform" advocated by Gorbachev is encountering and will continue to encounter major resistance and obstacles. We do not naively delude ourselves. However, it should be borne in mind that after such a delay the "reform" presents itself to the Soviet Union as a necessity that cannot be evaded or put off. Gorbachev's argument derives truth and intrinsic strength from this. We want to emphasize its great worth.

The political initiative that the Soviet Union is developing internationally with the aim of shifting the quest for security (for all) from the military to the political field is of supreme importance. At the same time as Gorbachev issues a searing indictment of the Reagan administration's and the imperialist forces' responsibilities in the pursuit of new objectives of rearmament (particularly "star wars") and of the material and political influence of the U.S. military industrial bloc, he is again proposing to everyone--first and foremost to the United States and Reagan--a strategy of disarmament and peaceful coexistence based on solid and clear points. Mankind has reached a crossroads: either it takes the path of accords for arms reduction leading to the elimination of nuclear weapons (based on parity at lower and lower levels) or it proceeds further along a path on which not even parity of nuclear deterrents can ensure peace and free mankind from the threat and nightmare of catastrophe. Nobody can believe in winning a nuclear war just as nobody can believe in winning the arms race. The path of accords on arms reduction and peaceful coexistence is also in the interests of the American nation and of all mankind. Reagan's counterproposals, Gorbachev says, tend to create new obstacles; they will nevertheless be carefully examined by the Soviet Union, which keeps the dialogue open and which, though aware of the serious difficulties, set its sights on negotiation and on the possibility of finding major points of agreement. At the same time Gorbachev emphasizes the role of Europe, of the five major powers of the UN Security Council, and of all the peace forces and initiatives. He sets all this within the context of a universal humanist view of the use of scientific and technical gains and of resources. Partly because of this crucial aspect we want to stress that Soviet policy is now oriented toward the necessity and possibility of negotiated solutions and accords--and, of course, in order to safeguard peace, accords with the adversary. Specific proposals and stances remain to be discussed, but one cannot deny that in this direction the USSR is not conducting propaganda but setting itself and everyone objectives which it considers difficult, but necessary and feasible.

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West Europe Report

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POLITICAL BELGIUM

POSSIBLE THAW BETWEEN FLEMISH, WALLOON SOCIALISTS

Spitaels on Ghent Visit

Brussels LE SOIR in French 24 Feb 1986 p 1

[Interview with Guy Spitaels by Jacques van Solinge: date and place not give]

[Text] [Question] What conclusion do you draw from your first visit to Ghent, in Flanders, on Thursday evening?

[Answer] Absurdity must be avoided. I would go to France or Italy to talk if I were invited. It would have been stupid of me not to go to Ghent on the pretext that it is on the other side of the linguistic frontier.

[Question] This was, however, a "first" in the 5 years you have been president.

[Answer] I wanted to put an end to an artificial situation. As Luc Van den Bossche has said, after 7 years of separation, we should be able to talk to each other frankly, without complexes and without dreaming of a return to the past.

[Question] Did your visit serve as a symbol?

[Answer] I have used the expression "friends and enemies." I believe that it is indeed these terms which represent the feelings of the members of our two parties about our relations.

[Question] Is this the beginning of a rapprochement between the PS and the SP?

[Answer] At no time have I sought to minimize all the things which could divide us. But we are not strangers, all the same. Why should it be necessary to push masochism to the point of not discussing what is and will be the source of conflict with the Flemish people--with the SP as well as the CVP and the PVV? Rather than crossing swords in sterile fashion, let us do as others do and talk about what we have in common. And that is not negligible.

[Question] How far could the rapprochement go?

[Answer] I do not conceive of it in an organic form. In my view, Willy Claes is cherishing illusions. The creation of a countergovernment would not be timely. But I believe that the more the socialist message shows that there is something other than conflict between us, the greater the confidence the labor sector has in it will be.

[Question] How can your solidarity be made concrete?

[Answer] By defending the social security system together, for example, when the government makes its intentions known.

[Question] Some say that the sole purpose of the rapprochement is to allow the PS to strengthen its position with a view to a return to power.

[Answer] I sincerely believe that the Walloon region and the French community are best defended when we assume our responsibilities. And this is true on the national level as well, where another majority might "undo" the new structures of Belgium. There are doubtless some who will again term me a "participationist."

[Question] You no longer believe, then, in the possibility of an asymmetrical government, with the PS, for example, but without the SP?

[Answer] I still do not exclude this possibility, because in politics, anything may happen. But situated where I am, and having heard what I did immediately before and just after the elections, I know that the thesis of asymmetry has done us a disservice with the small number of individuals who make the decisions in Belgian political life. Ideally, I believe that there should be two factional lines in any future government negotiations. Let the French-speaking people defend their own economic and cultural interests, and let the political families meet to discuss subjects such as education or social security.

[Question] How do you view the SP, following your visit to Ghent?

[Answer] I purposely close my ears to any polemic discussion which is only a flash in the pan. Thus I will not respond to this question.

Van Miert Comments

Brussels LE SOIR in French 24 Feb 86 p 1

[Interview with Karel Van Miert, president of the Flemish socialists, by Guy Duplat: date and place not given]

[Text] The beginning of a dialogue between the PS and the SP as a result of the speech made by Guy Spitaels in Ghent, reported in the interview on page 1, pleases Karel Van Miert, the president of the Flemish socialists. It has been months, indeed years, now, that he has been proposing agreement on specific problems, such as social security or pensions, to his French-speaking colleague.

This appeal, rejected until the last elections, has now been heard, Mr Van Miert says.

The visit of Guy Spitaels to Ghent is very significant, Mr Van Miert believes. It illustrates a desire to seek contact with us, whereas previously, this was basically a Walloon strategy.

[Question] Thus the elections, with their paradoxical result--a socialist victory, while the socialists were rejected everywhere in the opposition--played an important role in this beginning dialogue?

[Answer] Yes, Mr Spitaels himself says that the result of the elections was something new. The PS did not expect this, whereas we for our part have already become accustomed to being excluded from power. The Christians and the Liberals in the preceding Flemish executive branch had relegated our ministers to a de facto opposition.

[Question] Not only is the PS excluded from the Walloon executive branch, but in additon, the PRL and the PSC have signed an 8-year pact.

[Answer] The PS has in fact been excluded from the race in the Walloon region, under scandalous conditions. It would now be well for that party, and for us, to examine how this policy of the government, surly and undemocratic in some respects, can best be combated.

[Question] But this will be a difficult dialogue. It is not only the community issue which divides you, but also the problem of missiles, foreign policy, and your demand for an energetic reduction in the labor schedule. Prior to the elections, some French-speaking socialists spoke of your economic and social program as much too radical.

[Answer] This was part of a certain electoral tactic on their part. The differences between us are not so great. Three sectors must be distinguished. First, matters on which we can agree without too much difficulty--ethical problems, social security, that masterwork of our democracy, threatened today, and pensions. The second sector is more delicate, but at least we could compare our points of view and avoid conflict. These issues include economic policy, economic recovery, the battle against unemployment, foreign policy and defense. We will not reach agreement. Finally, the community sector involves problems which separate our two communities entirely. All of the political families are divided on these points.

[Question] What specifically do you propose with regard to this dialogue?

[Answer] Above all, let us avoid a big hullabaloo. On a subject like social security, we could sit down quietly and undertake to draft joint positions.

"Troublesome" Cools and Dehousse

[Question] Are you issuing an invitation?
[Answer] Let us not be formal. It is unimportant who invites whom. The PS knows very well that we are ready for dialogue.

[Question] It is also being said in the Chamber that since the elections, the two socialist groups have met and drafted certain points of joint strategy.

[Answer] It is true that Louis Toback had proposed such joint meetings in vain, but that in the past several months, they have become possible.

[Question] Has it not been, as is being said in the SP, the eclipse of Cools and Dehousse, the thorns in your flesh, and the pressure from other socialists such as Robert Urbain which have made this resumption of dialogue possible?

[Answer] Our relations with Cools and Dehousse have always been stormy, it is true. But I do not want to involve myself in the possible internal problems of the PS. It was the president of the whole of the PS who came to Ghent. I am sure that he spoke on behalf of the entire Socialist Party, as I, for my part, speak on behalf of the whole of the SP.

[Question] Does Willy Claes propose going farther in dialogue and establishing a shadow cabinet, such as exists in Great Britain, with the French-speaking socialists?

[Answer] No. That is not possible for us. This would create more problems than it would resolve, particularly since Belgium is not Great Britain, and our governments are coalition governments.

[Question] Are you prepared to take a step toward the PS?

[Answer] We have never closed the door, and we have no complexes. The days of the SP as the "little brother" are past. The two socialist parties are of equal strength, in terms of both votes and seats.

[Question] But will you make your radical line more flexible? It has been believed that your goal was above all to defeat the CVP, even if this excluded you from a future government.

[Answer] It is not a question of radicalism, but of a desire to clarify the political debate. We say what we want and we expect the same attitude from others. We have become today the second party of Flanders, by a wide margin. We are not changing tactics. A party like ours, which is young and dynamic and has a very good parliamentary group, should become the first party and should engage in direct rivalry with the CVP. We want to become a very great socialist party, and we will not sacrifice this ambition in order to win some temporary ministerial positions, although we are prepared to assume our responsibilities, should the opportunity arise.

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POLITICAL BELGIUM

WATHELET DEFENDS WALLOON REGIONAL COUNCIL MAJORITY

Brussels LE SOIR in French 1/2 Mar 86 pp 1,2

[Interview with Melchior Wathelet, president of the Executive, by Guy Duplat: "Wathelet Defends the Walloons Council"; date, place not specified]

[Text] A disorderly, chaotic council, with insults flying. The meeting of the Walloon Regional Council continue, apparently in the same vein. The Socialist opposition is constantly harassing a PSC-PRL majority, which it regards as illegitimate. But for Melchior Wathelet, president of the Executive, it is now only a matter of behind-the-lines skirmishes. In the interview he granted us, he comments on the situation and, swimming against the tide of accepted ideas, he proclaims that the indistution is working, that the council is doing its job and that the Walloon majority is governing.

[Question] The Walloon Regional Council meeting on Wednesday was stormy once again. Were the insults flying?

[Answer] Confusion and disorder, for which the Socialists alone are responsible, are no longer anything more than a smoke screen, a thin veil. The main thing is that all the parts of the Walloon Regional Council are functioning. The opposition has interpellated and made motions. The majority, with its 51 members, has remained a full one to the end. It has maintained its unity and voted as a single person on every occasion.

People say it is disorderly, but I would point out that there have never been as many people in attendance since the beginning of the council. I would also point out that all the items on the agenda were discusses. There were 15 interpellations and seven questions.

[Question] The majority remained united....

[Answer] Yes. There is no uneasiness within the majority. Even on delicate issues such as the headquarters of the institutions, the majority has remained united and has stated its position very clearly.

[Question] The "Ecolo" group even announced that it could support you on some issued and participate in a majority from time to time?

[Answer] The attitude of the "Ecolo" group is very important in my opinion. This group had already attended the Regional Council's 16 January meeting, unlike the Socialist Party. The "Ecolo" attitude that day most likely had a great influence on the Socialists' decision to return to Namur.

[Question] But have you had contacts with them and have you promised them anything?

[Answer] I have not met with "Ecolo," nor have I made any promises. However, the regional executive has not made any decisions contrary to the points which are important to the ecologists: environmental impact studies, an open Walloon administration, a halt to certain major projects, etc. If the opposition is positive in its behaviour, I do not see why the executive and the majority should refuse to hold talks.

[Question] Is it possible that the majority may increase its ranks?

[Answer] This is still not on the agenda. The current majority has shown that it is operable. We consult, we work, we make decisions. The Walloon region is functioning.

[Question] Will the Regional Council be meeting more often?

[Answer] The executive is at the disposal of the assembly. The committees are set up in the council. We will be sumitting draft decrees and our budgets.

[Question] The Namur case is still outstanding. Even at the PRL, at Louis Michel's, they no longer want to bring everything back to Brussels.

[Answer] We will make our decision on the headquarters of the administration in a week or two. And we will bear in mind the employee's interests, the need for services and budget constraints. We do not want to be unfair to Namur, and the Socialists do not have a monopoly over the Walloon heart. The executive would not be against having Namur proclaimed the capital of Wallonia, if people are particularly attached to that idea or if we are talking about the headquarters of the Regional Council. But if this implies setting up the Walloon executive in Namur, then that would be done without me. We could do as they do in the United States, where the Statue of Liberty is in New York, but the capital is Washington.

[Question] The Socialists are accusing you of being financially irresponsible, in having the employees working in Namur return and in questioning the region's commitments.

[Answer] There is not and never has been any financial irresponsibility or large-scale repatriation with hundreds of square meters of abandoned offices in Namur. I have ordered thorough studies of the region's commitment. There are virtually no additional expenses. Let's take a few examples. Mr Declety's staff is occupying the former Brussels offices of Mr Dehousse, for which the region has continued to pay rent even while they were empty. Mr Dehousse intended to set up his offices at the Hospice Saint-Gilles and wanted to restore the building for 140 million. But no commitments were made in this sense. We will endeavor to make some arrangement with the city. The building built by Mr Busquin will cost 150 million, but we have the time between now and its completion in 1987 to find funds for it. On 26 November, that is on the eve of the first meeting of the new Regional Council, when he was aware of our intentions, Mr Dehousse decided to buy the Concorde residence for 83 million. We will find a solution. I could in the same way go over the expenses for setting up the ministerial and administrative offices and moving expenses, and you would see that there was no financial irresponsibility--especially since we have not abandoned Namur. I was against moving in principle, but the facts are more worthy of respect than a minister-president, and I have reviewed the commitments already made.

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FEW UNIVERSITY-TRAINED WOMEN FIND WORK IN THEIR FIELDS

Munich SUEDDEUTSCHE ZEITUNG in German 7 March 86 p 12

[Article by Christine Broll: "Examinations Passed, But Failing in the Labor Market" / Women After University Training--From then on it's Downhill / Despite Equal Training and Good Grades, University Women Have Poorer Professional Chances than Their Male Colleagues]

[Text] "I have given up the idea that I will ever be able to work in the profession I was trained for." After a year of unemployment, the 29-year old graduate woman geographer views her chances very soberly. Even the good grades of her diploma do not strengthen her optimism: "Through this one year I have already lost touch so that I can hardly hope for a beginning position." Furthermore, like other married university-trained women, she is tied down locally. And jobs for a graduate geographer must be searched for on a country-wide basis in order to be at all successful. "I must stay in this town, since my husband has finally found a job here after having been unemployed himself for almost a year." What, then, are the prospects for the future? "I have thought about having a baby next year, or the year after."

"Women after university training--from then on it's downhill"; statistics show that this theme for a meeting of the Evangelical Academy in Tutzing is not a deliberate provocation, but simply describes reality. At present, more than one graduating class of university women are out of jobs. In September 1985, 55,886 women graduates of universities or specialized institutes were reported unemployed. As a comparison: in 1983, about 49,200 German women had acquired such qualifications. The fact that opportunities for university women are getting worse can also be proven by figures of the Federal Labor Office. In September 1985, there were almost 7 percent more university women unemployed than a year before. And this does not even include those women not registered as unemployed because they have retreated into their "alternative role" in marriage and family.

It is more difficult to find jobs for women than for their male colleagues --that is the daily experience of employees of the specialized job placement section of the Federal Labor Office. Although women graduates of universities constituted 43 percent of applicants in 1984, their share of successful job placements was only 29 percent.

"The much touted theory of 'more education brings about a better employment situation' without a doubt does not apply," reasons Maria-Theres Tinnefeld of the Association of German Women Lawyers (Munich). No one can seriously claim today that university women are not hired because they have poor grades or lack qualifications. Even in school girls do better; in the graduating high school classes there are now more girls than boys. At the universities, the number of female students during the current winter semester constitute 37.9 percent of the student body. And recently the president of the Braunschweig Regional Appeal Court, Rudolf Wassermann, noted with concern that women do better in the bar exam than his male colleagues. If German jurisprudence continues to accept into state service only those applicants with the minimum exam grade of "fully satisfactory," then very soon it will be predominantly women who will don black robes--which worries Wassermann very much.

But where employment is not based on purely achievement-related criteria--such as grade average--, it is rather difficult for women to get hold of a good job in the tight labor market. The latest youth report of the Federal Government states tersely: "The educationally better and broader qualification of girls and young women is not reflected in the labor market."

On the contrary, higher qualification and longer training frequently lead to special discrimination. By the time university women have concluded their training, they are--compared to other women starting in jobs-- relatively old (usually between 25 and 30 years of age). Therefore, the probability is greater that they want to have a child soon after being hired. And many employers do not want to run that "risk," particularly when it comes to highly-paid, responsible jobs. Also, frequently women applicants are not considered capable of making their way in the university-trained work scene dominated by men.

The Person-and-a-half Career

Ingrid Biermann and Lindy Ziebell of the University of Bielefeld studied whether women with university degrees retreat because of unemployment into the "alternative role" of housewife and mother. They found that none of the women interviewed planned to have a child while being unemployed. Lindy Ziebell: "Especially women who want children find themselves in a situation which makes a free decision difficult and ultimately forces some of them to decide against children, if they do not want to give up their career prospects." Their plan, to first get a few years of job experience after concluding their studies, does not materialize. An unemployed woman sociologist expresses her dilemma during the interview: "If I were to have children now, I would have to set aside my career plans. Then I would also have to be aware of the consequences and accept consciously that I would never be able to get a job." And this would mean a decision in principle against a career and for a family--a step which would not offer a way out to the almost 100 women at Tutzing Castle.

They do not want a second-hand career, they do not see their only reason for existence in supporting their husbands in their career advancement. And yet, this fate is awaiting many university women, since many of them chose a highly qualified partner at the university--a potential careerist. If he chooses that road, the woman often can only take her place in his shadow, for the career position is a person-and-a-half job, as Munich sociologist Elisabeth Beck-Gernsheim formulates it. What successful man with an appointment calendar has the time to go shopping, do laundry, or get seriously involved in bringing up children? These everyday chores are taken on by his "manager at home, she keeps his head clear for the so-called higher goals" (Beck-Gernsheim).

The upshot can be bitter for such a woman in the background: "He has shifted every burden unto me: responsibility for the children, the estate, money affairs, everything material...I have no private life, cannot read, cannot play, cannot think about things--and it was always that way. Is that any life at all?" This was written in her diaries by Sofya Tolstoya, the wife of the great Russian poet. But this "existence" is a reality for many university women because of a lack of their own career alternatives.

On the other hand, only few women manage to get to the top. The highest professorial jobs--that of a C-4 professorship--were held by only 238 women in the FRG in 1982. They are faced by a superior strength of 9,397 men. A study issued by the German UNESCO Commission remarks on this situation: "To reach the very top in a career is no longer quite as hopeless for women as it was decades ago...But career advancement, insofar as women achieve it, ends predominantly at the mid-level, in a position from which many men only begin to prepare their career."

Do things really look up when a woman, despite all obstacles, has managed to get into the profession she was trained for? "I succeeded in my career. But then you are alone in your private life, after 14 hours in the office every day." With a mixture of bitterness and pride, a woman who achieved a leadership position in a medium-size enterprise, comes to this conclusion in Tutzing. When she devoted herself to her career advancement, the relationship with her partner of many years broke up. This is an experience she shares with other successful women, since family and private matters do not count in the machinery of a male career.

Women--contrary to men--cannot count on active help which would assist in coping with a "person-and-a-half career." "She can hardly count on finding a loyal 'house husband' who will assume the cares of house, home and child," Beck-Gernsheim stated in Tutzing. That women can achieve less in their professional life, because they have no domestic managers at home for the rough work, can already discriminate against them at the time of hiring. An employer may prefer to fill a person-and-a-half position with a man who has a helping wife at his side.

Adaptation to the male career pattern--that was not the wish or goal of the female students and university women at the Evangelical Academy. They do not want to be forced to decide between giving up a career or giving up a family. In this they agree with all young women as a whole who--according to the latest empirical studies--want to combine career and family.

But this very combination is particularly difficult for university women to realize. A part-time job is still a lot easier to find for a secretary than for a woman with a doctoral degree in chemistry. For her, it is still the alternative between "career or family," if she would like to have a child. In contrast to the secretary, she can hardly hope for a return to her profession, because as a rule, potential employers assume that during the family phase she will have lost touch with scientific developments in her special field.

In the long term, a solution for the dilemma of highly qualified women can only be found in the establishment of part-time jobs in leadership positions--that is, attractive jobs which will also appeal to men to take the step into part-time employment. "Part-time for everyone," as one participant at the Tutzing meeting formulated it tersely and exaggeratedly. The women were aware that part-time work was not possible in all jobs. "But," opined Maria-Theres Tinnefeld of the Association of German Women Lawyers (Munich), "the functional jobs that can only be carried out on a full-time basis can surely be narrowed down."

Family Woman and Career Man

In the art room of the Academy, a work group pictured how the future could look: "All employed people will share being part-time family people and full-time career people--the separation between family woman and career man would be abolished."

But one did not get carried away in Tutzing with such visions of the future. It was stressed that women should strive for jobs which would give them the power to make the work world friendlier towards families and women. The catchword "involvement" kept reappearing and became the central concept of the meeting, just like the phrase "the way through the institutions."

But how do more women find the way into these institutions? In view of the statistics, a good education alone is evidently not enough. "At the universities, only strict quotas can bring about a change," said Annette Kuhn, history professor at the University of Bonn. Under a quota system, certain positions are reserved exclusively for members of one sex. The study commission "Woman and Society," set up by the Bundestag, also proposes in its report quota regulations for the filling of jobs. It calls a quota regulation a reliable and effective means that does not infringe upon constitutional guarantees such as freedom of action and private autonomy.

Erika Ludwig, personnel officer of the Heimann firm (which is part of Siemens), reported that plans for promoting women and quotas are still rarities in FRG industry. "At most, there are beginnings in firms which are subsidiaries of U.S. enterprises."

An indication that quotas can be used in public service could be seen in early February in the classified section of DIE ZEIT. Joschka Fischer was looking for a male/female desk officer for industry and environment for his new ministry. He wrote: "Given equal qualifications, women will be given preferential consideration. This applies also to the seriously handicapped."

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CENTER PARTY SECRETARY KAARIAINEN URGES CLEARER PROFILE

Reply to Conservatives, SDP

Helsinki UUSI SUOMI in Finnish 20 Feb 86 p 8

[Interview with Center Party Secretary Seppo Kaariainen by Ilkka Juva, date and place not given]

[Text] The Social Democrats and the Conservative Party are labelling the Center Party as a backwoods party "in the same mocking manner". This is the assessment concluded by Center Party Secretary Seppo Kaariainen.

"This is new and astonishing," says Kaariainen, who, however, attempts to deny that the Center Party is especially concerned about the closer relations of the two other large parties.

Kaariainen gives an assurance of his party's desire to cooperate and, on the other hand, its confidence in a strong center. However, apparent concern is reflected in the fact that he does not intend to be the guarantor of the SMP [Finnish Rural Party] any more than the Christian League "in any issue". The same softening is probably connected with the fact that Kaariainen is ready to explain his tough evaluations of the Conservative Party.

Suominen and Sorsa Are Matter of Concern

The political scene is changing. For the time being, the Center Party has been able to rely on the fact that there is a bourgeois majority in the country, the center has the majority in the government, and that in its back pocket it can initiate cooperation with the Conservative Party at the expense of the SDP. It has been possible to reject the Conservative Party by appealing to the SDP and it has been possible to threaten the SDP "with its Conservative card".

However, last fall people in the Center Party began to doubt this "self-evident truth". Information about negotiations between Kalevi Sorsa and Ilkka Suominen began to trickle into the party office of the Center Party.

Center Party's Counter Appeal

The Center Party's counter appeal was the creation of a new broad center. The Liberals were separated from the Center Party, the Christians were accepted as part of the political center, which already included the RKP [Swedish People's Party].

[Question] Esko Almgren was the first to negotiate cooperation with the Conservative Party. Only after the Conservative Party's refusal did Almgren become a "member of the center". Can such a political center function?

[Answer] We have black on white with respect to common goals. Indeed, we trust in agreements.

[Question] However, is is worthwhile without this trust...?

[Answer] This is certainly good advise... Almgren has at least in public drawn a definite line between himself and the Conservative Party. I will not say anything about what goes on behind the scenes. We will not, however, guarantee the SKL [Finnish Christian League]. Not in any matter.

A Limping Cooperation

[Question] The Center Party can never be certain that it has a majority behind it in the government. How is cooperation going?

[Answer] Well.. how would one describe it so that one would have an accurate picture. It is a kind of limping cooperation. The Center Party and the RKP make up a good pair. It has always been necessary to negotiate patiently with the group led by Pekka so that it could be included in the majority.

It stretches our patience. There are those in our group who demand a tighter hold on the SMP.

[Question] You mean Toivo Ylajarvi, who is responsible for farm policy?

[Answer] Well, I do not want to mention any names.

[Question] The patience of the parliamentary group is at an end?

[Answer] It fluctuates. When a certain issue becomes aggravated, the pressures are great. This is natural. But the mainstream wants to keep the SMP in the negotiating front.

I Am Not Putting up Any Fences

[Question] You are expected to be patient in order to keep the political center together and at the same time the SDP and the Conservative Party are drawing closer to each other. Does this worry you?

[Answer] The SDP has commenced pioneering a cooperative alternative for itself. The SDP has recognized that it needs an alternative. The Center Party has had and still has as an alternative cooperation either with the SDP or the Conservative Party. The SDP is now acquiring a similar alternative for itself with the help of the Conservative Party.

"In a certain sense we are in a new type of situation," says Kaariainen, according to whom, center opposition has been taken back now that "scheming among brothers" has become public.

[Question] Last fall you used some strong language about the Conservative Party. You closed the door and limited the opportunities for cooperation. Was it worthwhile to do this?

[Answer] The purpose of my statements in the fall was to show the clarity of the policies of my own party and those differences which also exist between the Center Party and the Conservative Party. Indeed, even outsiders must recall that my purpose was not to offend or belittle the other party, but to point out political and ideological differences. The differences between the Center Party and the SDP are so obvious that there is no great need to bring them up. But as far as the Center Party and the Conservative Party are concerned, it is valid to to point out the difference between us.

I am not the one to put up fences or obstacles to government cooperation. My position is the same as the party's official position.

The Labelling Hatchet Has Grown Old

[Question] At the same time, the Center Party has become the defendant in questions of content. For example, the Center Party has to defend the wage level of its basic constituency with respect to high food prices.

[Answer] An attempt is being made to label the Center Party as a backwoods party with a labelling hatchet from the 1950s. It is new and somewhat surprising that the Conservative Party has joined in this labelling in the same mocking manner as the SDP.

This indicates that they are lacking any weapons. It relates to a paucity of weapons and not to the nature of the Center Party. I trust in the fact that people are wise enough not to believe such labelling.

Possible Political Realignment Seen

Helsinki UUSI SUOMI in Finnish 21 Feb 86 p 2

[Editorial: "An End to A Lack of Alternatives?"]

[Text] Finnish democracy, which has been criticized for a lack of alternatives, is acquiring alternatives. While just a few years ago the people's front was considered to be the only workable base of government in addition to a red earth based government at the most, the prospects have expanded considerably. Party Secretary Seppo Kaariainen of the Center Party is, indeed, saying that the SDP is seeking an alternative to the red earth policy for itself with the help of the Conservative Party.

Ideas about alternatives to the government base are at the same time being considered at many levels. Recently, the chairman of the SDP promised the Conservative Party an entry to more spacious chambers if it professes to be an urban party of the center. Now the party secretary of the Conservative Party can borrow the same words and state that the SDP's new draft program of principles made public last week indicates that the SDP has changed into just such an urban party of the center. Although it is still a question of mere verbalization, such a crossing of the Long Bridge and steps toward Kansakoulu Street are, as Isotalo further stated, also indicative of possible future cooperative structures.

The potential constituencies of two urban center parties, the Conservative Party and the SDP, will overlap to a great degree. As the promoters of the interests of an urban population becoming more and more white collar, both parties clearly see those discrepancies which an unsuccessful agricultural policy is accumulating in the form of high consumer prices. In this connection it has not been so much an attempt to label the Center Party as a backwoods party of the 1950s as an attempt to call it the architect of this unsuccessful agricultural policy. Its price is high for consumers, but the result is also not good for the farmers, whose interests the Center Party argues it has to support alone.

There is a growing concern in the Center Party that the Conservative Party and the SDP will find each other and ignore it. A government cooperation of these two parties without the center would perhaps be the greatest shock in the history of the Center Party: for the first time since the war it would not have anything but a mere reduced parliamentary power.

Concern about the possibility of being left alone has probably compelled Party Secretary Kaariainen to soften his rather categorical and aggressive assessments of the Conservative Party presented last fall.

Cooperation between two parties representing an urban consumer population should be a natural thing. And this is what is taking place quite extensively at the municipal policy level. The obstacles to a similar model at a national forum have been power policy reasons at least as much as the ghosts of the past, which in the addition to the Communists, certain members of the Center Party have readily attempted to bring to life in recent years.

But the dissolution of the SKDL [Finnish People's Democratic League] into two disputing factions unsuitable for government and the passage of time have killed any possibilities for raising the ghosts of the past. Therefore, along with spring there began to be promising signs in the air of the fact that our democracy is ceasing to be without alternatives.

Announces 1987 Parliamentary Candidacy

Helsinki UUSI SUOMI in Finnish 21 Feb 86 p 8

[Article: "Kaariainen and Virolainen Trying for Parliament"]

[Text] Doctor Johannes Virolainen, 72, is aspiring to become a Center Party candidate to parliament from the election district of Uusimaa. Virolainen announced to a delegation of the party organization inquiring about his intentions on Thursday that he will try for the position of MP in the 1987 elections. Also Center Party Secretary Seppo Kaariainen has as expected decided to run as a candidate from the election district of Kuopio.

Virolainen was a member of parliament from 1945 until 1983 when he became a deputy member. Virolainen was also parliamentary chairman for a long time. He was prime minister in 1964--1966. He has more years of service as a minister than any other Finn.

Party Secretary Kaariainen intends to break down the custom prevailing in the Center Party that a party secretary is not simultaneously a MP. Indeed, there are a couple of exceptions to this "rule". Councillor of State Martti Miettunen was also a member of parliament during his term as party secretary.

Kaariainen will be competing for the position in his home district of Kuopio. Toivo Ylajarvi, who is one of the Center Party's incumbent MPs in this election district, has announced that he intends leave parliament after this term.

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PARTY PLANS, PROGRAMS REPORTED FOR MUNICIPAL ELECTIONS

Athens TO VIMA in Greek 9 Feb 86 p 5

/Article by I. K. Pretenderis: "A Strategy for the Municipal Elections is Being Sought"/

/Text/ The very impatient ones have already begun to remove the dust from their small plastic flags and repair their auto horns. The municipal elections are to be held in the fall but they are already creating fermentation among the staffs of the parties. These fermentations, however, are still in their infancy and at the moment the parties are turning their attention to some other priorities.

PASOK (the first party to announce a procedure for selecting candidates for mayors and community leaders) is about all turning its attention to the reorganization and revitalization of the party mechanism.

ND is totally occupied with its upcoming Congress.

KKE is "as mute as a fish" and closely follows the developments in the area of the broader Left.

KKE-Int. is preparing for its Congress and revels in development of events.

There is the Democratic Renewal Party /DIANA/ which not only convened the first Panhellenic Conference of its cadres but announced the only mayoral candidate known as of this moment: I. Averof for the municipality of Athens. Naturally, all this does not mean that the horizon of municipal elections remains unexplored. As of now, it is defined by two elements:

a) It is certain that no agreement at all will be achieved "on a national level" among the political parties.

b) It is (still) uncertain what character the parties will want to give to the electoral confrontation.

As concerns the first element: No one seems to be disposed to negotiate with the one next to him "on all issues." This does not exclude (and all hasten to admit it) separate alliances. These joint electoral appearances will be studied by the party staffs "as each case requires" and the local conditions as well as the personality of the proposed common candidates will be particularly taken into consideration.

As concerns the second element: PASOK--according to the circular its Section of Self-Government and Institutions announced 2 days ago--made it clear that it does not desire to transform the election into a confrontation "on all issues," but intends to direct its election objective on decentralization and popular participation. No broad analysis is needed for one to understand that the governing party has every reason to be occupied during the pre-election period with the issue of decentralization than, for example, with the economic policy.

On the other hand, however, it is not certain at all that Mitsotakis and the Left will give in to its whims. In an intensively factionalized political climate--when even in the Parent and Guardian Societies the elections develop into a PASOK-ND confrontation--it is unlikely to see the municipal elections deal exclusively with third-rate local governments or with the issue of precinct councils.

Despite promises and intentions, the people will remember "what the Right is" or will shout the slogan, "removal from office here and now." At the given moment, moreover, the "mayors of light" and "the mayors of darkness" will unavoidably make their appearance.

Mitsotakis too has certain reservations about the unadulterated politicization of the municipal elections. If the electoral confrontation is on all issues, a second failure would be particularly harmful to his career as a leader and it would be necessary to dismiss the whole ND Parliamentary Group (perhaps dissolve the whole party) in order to avoid his removal from the ND headquarters on Rigillis Street.

Thus, as a first step he hastened to announce that in the municipal elections his party will support "independent candidates" (even if some of them resemble the ND deputies). But what does success in the municipal elections mean for the mayoral opposition?

a) It could increase its votes compared to the parliamentary elections. This is improbable since the voters are being counted in the first round and various conservative candidates (DIANA or not) will receive some of the votes ND received in the 2 June elections.

b) It could elect even one mayor in one of the four to give large municipalities--something ND has not achieved since 1974. In urban areas ND has not yet cultivated sufficient appeal to gain an absolute majority of the voters and the existence of a second (election) round helps "the anti-Right unity" of the remaining voters.

The precondition, of course, is that the anti-Right forces of the Left will continue to function in a period of austerity and despite the government's "turn to the Right policy" as KKE likes to accuse it. The Left patiently waits for the elections (and optimistically) for three reasons:

a) Because traditionally in such electoral confrontations the "leftist vote" springs from its ashes.

b) Because it hopes to gain from the "displeasure of the Left" about the government's economic policy.

c) Because, in the last analysis, it is difficult for the electoral result of the Left to be worse than the "bitter cup" of the 2 June elections.

Even if the municipal elections do not directly affect the governing of the country, their results will decisively contribute to the formation of the overall political climate especially the results in the so-called "large municipalities." In these municipalities the selection of the candidates is not an easy matter, not only because of vote attraction but also because the selection of the persons will finally determine the character of the confrontation.

As concerns PASOK, discussion on specific persons has not yet advanced, despite of what is published from time to time. What preoccupies the party leadership is whether in large cities it should nominate nationally known cadres or whether it would be preferable to limit such nominations to persons of local self-governments and of "social areas." Only after the answer to this question is found (and it has not yet been given) will certain persons be sought out for nomination, even if the tendency to "show preference for those in power now" appears to be prevailing at this moment. Yet it is not certain at all that this tendency may prevail at the end.

It is evident that at least, as concerns the large municipalities, the PASOK leadership has no reason at all to hasten the revaluation of its intentions and will wait and see how the political climate is shaped. In any event, none of the political cadres mentioned from time to time has shown a particular desire to succeed Beis /the Athens mayor/.

On the contrary, in the area of ND, the candidates are many, given the fact that political personalities will claim the nomination for the mayor's office in large municipalities. (Already there is an open fight between Tz. Tzanetakis and N. Anagnostopoulos in Athens.)

Mitsotakis will need to exert desperate efforts to avoid disputes and "autonomous" candidacies. Much so since he does not enjoy the luxury of "the multiple candidates" since it is a fact that in every large municipality he will find a rival who is a candidate friendly to K. Stefanopoulos /DIANA/.

KKE seems to be willing to discuss common candidates for large municipalities but finds no favorable response, especially since KKE-Int. made it clear that, at least as far as Athens is concerned, it will have its own candidate. For this purpose, moreover, it held a meeting at a central Athens hotel and established the Democratic Action group with KKE-Int. cadres and some unaffiliated persons.

The most probable of all situations is that in three to four of the largest municipalities the voters will have to choose from among at least five candidates. Thus, beyond the "innocent" intentions, the declarations by authorities and the "independent candidates," the parties will try to establish once more their strength among the voters.

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POLITICAL GREECE

EVALUATION OF INFRA-ND CANDIDATES IN LIGHT OF CONGRESS

Athens TO VIMA in Greek 10 Feb 86 p 30

/Text/ If one wanted to trace the prospects of ND and of its fourth present leader, he should first point out that this party expresses in a cohesive manner--even after Karamanlis' withdrawal, the "conservative world" and does not simply represent a personalized party.

ND has proved in recent years that it represents the united rank and file and the political expression of a large section of citizens and that it constitutes the convergence of both the traditional "establishment" and the large populist strata. Without doubt, the electoral defeats it suffered until now have proved that ND, as an ideological and political front, has massive appeal and cohesiveness. Despite the rift at its top, the prospects for a totally large split in the party's rank and file today appears limited.

Despite the efforts of Stafanopoulos' Democratic Renewal Party /DIANA/, the split does not yet appear to have persuaded us that it was the result of serious ideological reasons and of sharp differences in policy matters.

By its present Congress, ND enters a new phase. It divorces itself noticeably from its past and creates new roles for the major opposition. Specifically, ND appears to clearly separate itself from the "baron's circle" thus minimizing the interventionist role played by K. Karamanlis and G. Rallis and to a certain degree by E. Averof (who maintains his influence on certain persons of the Parliamentary Group).

Moreover, this role is minimized still more since the first two wish to remain at a distance from fermentations and intra-party developments. Thus, Karamanlis and Rallis (as well as Papakonstandinou) will not be able to create for Mitsotakis "a climate of debilitation."

At the Congress Mitsotakis will consolidate his position and his survival as leader even after the municipal elections will depend not only on the simple existence of scattered displeasure in the Parliamentary Group, but also from the possibility of group formation of subversive instruments within it. Up until now, experience shows that Mitsotakis pushes his adversaries within the party toward autonomous actions instead of seeking reconciliation and co-existence. The future breakdown will also depend on the "force-discipline tactic" which Mitsotakis will want to apply--as some of his close collaborators seem to assert--after his "rebaptization to the post of leadership" at today's Congress.

In any event, the same experience has proved that those who decide to clash with Mitsotakis are not always the "perennial opponents of the leader" but supporters of his own choice as a leader, such as Livanos, Nianias and Boutos who did clash with him in the past and more recently Anna Synodinou.

From this point of view and given the displeasure being hatched among certain deputies and politicians who "are leaning to the Center," one cannot exclude in the near future isolated desertions from or clashes with Mitsotakis. His close circles foresee probable clashes with I. Varvitsiotis and A. Andrianopoulos if they continue the known "tactic of staying at a distance" from the ND leader.

Undoubtedly, the municipal elections, which will finally assume a character of political confrontation, will be a real test of Mitsotakis' leadership. Yet, the strong controversy about his position will be clear after October and will depend on the way he handles the whole issue of the municipal elections as well as on his ability to maintain his influence among the party's rank and file; because it appears that until now the united ND rank and file consents to rather than accepts the Mitsotakis leadership.

On the other hand, the various "suitors of the party's leadership (dolphins)," with the exception of Miltiadis Evert perhaps, do not appear to have an outstanding political presence in the ND area and do not appear to have ambitions to reach the leadership spot of the party with specific initiatives, proposals and ideas.

In conclusion, as of today ND enters into a completely new phase of party activity which, however, is similar to every post-Karamanlis activity: uncertainty.

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POLITICAL GREECE

ANALYSIS, COMMENTS ON POSSIBLE KKE-EXT. LEADERSHIP CHANGE

Athens ANDI in Greek 28 Feb 86 pp 20-22

/Article by Khr. Kyriazis: "Policy Crisis and Leadership Change"/

/Text/ "A Block" and A Strategy Gap

"Everything in the party has been blocked as a result of the problem of succession", was said these days by one of the central officials of the KKE, meaning the clandestine and behind-the-scenes maneuverings at the present time that already have been scheduled in the KKE to form the leadership intraparty alliances that will comprise the basic raw material in the election of the new secretary. Because, for several months, the general secretary of the KKE, Kharilaos Florakis, had expressed his desire to withdraw, satisfied to remain the honorary president of the Party. In view of the succession, this "block" ties in with the social and political crisis of the country that could become a major "political opportunity" for the KKE if.....

If, beyond the "block" he accredited for several months now because of the action that has to do with the Secretariat of the Party, there was no strategy gap that indirectly was presented as a problem in the last KKE Plenum (October 1985), stated as: "the distance of party policy from the masses", "insufficiency and delay in developing positions", "the need for a new political reason", "gaps in the Party's position versus PASOK", "a large gap in political and labor union influence", and others. Five months after the autocratic plenum of October-that, it was emphasized, is "a participation in the course of the Party towards the 12th congress"-in Perisssos, it is said that its conclusions, and especially the development of another political reason, have remained only conclusions and the strategy gaps continue to exist, just as they did before; and it is emphasized that a likely change of the secretary will not solve-indeed anything but-these problems automatically, but similarly, that this likely change perhaps is one of the terms for renovating the political structure of the KKE.

Is the change of the secretary likely or is it a sure thing? The latest evaluations in KKE circles is that "anything can happen, because Kharilaos did not bring up again the matter of his replacement". The secretary, who almost has completed 14 years as a leader and has associated his name with end of the political banishment of the party and its reinstatement in the political process, in the "legal country", has for several months appeared to be "tired and old", while pointing out the need for the "young people of the party" to assume leading roles. With the tradition that exists in the communist parties, whereby the evolution of officials follows the vertical hierarchy of the party mechanism religiously and with unswaying respect, the new secretary without fail must already be included among the members of the politbureau, and the jump of someone from the central committee directly to the position of secretary is not permissible. And the "young people" of the politbureau are...one: D. Gontikas, the old secretary of the youth organization, former KKE deputy and representative of both the "antidictatorship generation" and the labor world that is distinguished dominantly in the KKE ideology and who prefers the "laborers" (such as Mr Gontikas, many years ago, of course...) from the "intellectuals".

The Two Leading Contenders and the Intraparty Alliances

If, however, Mr Gontikas, because of his young age, or for any other reasons.., perhaps is being favored by the KKE leadership that raised the subject of "generation gap" in the present formation of the leadership staff of the party, on the other side, the "political samples" he has shown up to now are neither sufficient nor of the caliber necessary for a new general secretary, especially under conditions of legality, the critical phase in the strategy of all the players of the political chess game and increased complexity in the terms of handling the politicians and representations. And Mr Gontikas is not sufficient when, in addition, there is another candidate for secretary, an official of the politburo for 10 years, the ideological "father" of the KNE /Greek Communist Youth/ and "intellectual" of the party,Mr Farakos, who does not have the qualities of a social leader, being restricted to practical matters and the functions of a man of the "office", but who has accumulated the preferences of a portion of the KKE officials whose criteria for leadership begin and end, are referred to and are exhausted only in the "consequence" for the narrow party family and has little to do with the need of a political and social "profile" that the general secretary of the party should have. Among the officials who support the number two man, there are the zealots of what is the historical identity of Mr Farakos, in other words of an orthodox leninist mixed with stalinism of the old school of Mikhail Suslov and his descendants. Similarly, however, there is an interesting item of information-referring to strange ways and the fields of intraparty strategies and alliances- that Mr Farakos' candidacy has "collective" characteristics, prompting the "renovator" Mr Androulakis to be ready to support his "stalinist rival" and not preclude cooperating with him within the limits of the new politburo that will be the product of the 12th Congress. And we are talking about cooperation in the new politburo, knowing that, already since last October, it became known that Mr Androulakis would abandon his seat as a plain member of the Central Committee and as the resposible official for the press, leaving his position to Mr Lafazanis, and will be promoted to a member of the politburo with duties that are not yet known.

This "multicollectiveness" of Mr Farakos has, of course, something to do with the "advances" he started to make since last summer to officials with whom he did not have the best relationships. Besides, it is not by accident that his ideology and policy that intersects with the text of the October Plenum is in no man's land between renovation and hardening, expressing among other things, a new balance between "leftist" and "renovating" officials, after the shock of the June elections and four years (almost) of a yielding and "rightist" stand against PASOK.

The "Centrality" of Mr Florakis

Even if Mr Florakis leaves the highest office of his party, the alliances that will be formed around the more predominant secretary among the officials of the mechanism, the intellectuals, the labor union people (many of the latter were impatient with the "rightist" strategy of the party), will be monitored by the present general secretary: "Any sucession will be handled by him", it was being said recently in Perissos. This view confirms the centrality that Mr Florakis has in the supreme ranks after so many years of leadership, and should be considered realistic for three reasons: first, because "captain Giotis" always maintained a unifying-centralist attitude during acute moments in intraparty rivalry, exactly because he managed to express the resultant of the tendencies and the strata of the communist society, of its past and of its (whatever it was at the time) present. Second, because Mr Florakis has a political and social strength beyond the party that he attained with a kind of direct communication with the people, also by participating himself-always within the rules of communist policy-in the formation of a special plebiscitarial-popular frame for effecting policy during the period after the political change in Greece. Beyond, however, this popularity, Mr Florakis equally has achieved the level of a political leader by performing with integrity the symbolic and material functions that such a leader is called to fulfill at the top and at the central institutions of policy. The third reason Mr Florakis will monitor the change of the guard in the KKE is that he has very positive relations with the communist parties of Eastern Europe, an element not possessed by the inexperienced and young in terms of a party age Mr Gontikas, or by the "older one", but sometimes problematic Mr Farakos whose liabilities include, first of all, the position, that was anything but positive, he maintained during the anti-Zakhariadis 6th Plenum of 1956: This position, and other later "samples" become an obstacle and call for conditions in case he takes over the secretariat of the party. These conditions have to do with both his ability to live up to the need for a "new political reason", the exit of the KKE from its ghetto, and with a review of the position of the "Greek Suslov" in a series of subjects on domestic policy. On those matters he appeared as "the leftist" opposition of the KKE, depository of the "principles", supporter of the "class rivalry" to all the parties, except....his own (even though in this too he distinguished "a disturbing rise of the reformists"), enemy of "revisionism" etc. "Farakos cannot remain as he was, if he becomes secretary", is being said by circles close to the "new theorist of the KKE", Mr Androulakis. The position of the secretary, however, does not mean necessarily the transfer of the "hard" to the composite views of the trends, because, thank God, there are communist party secretaries who make the composition "to the left" with the known disastrous results. And something like that cannot be excluded even for the KKE...

27th Congress of the CPSU: The Intermediate of the Developments

The KKE representation that is observing the "second 20th Congress of the CPSU" these days, does not include Mr Farakos-"who, of course, would very much like to have been included", as was being said a month ago by the circles of the central mechanism of the party-but only Mr Gontikas. This does not mean, of course, that he is "cut off", since the same circles were observing with skepticism that: "let us not forget, however, that he was in the representation of the 26th Congress of the CPSU"-a skepticism that impresses the liquidity and the "block" that is being noticed in the KKE since January.

9346
CSO: 3521/97

ARSENIS DISMISSAL: PASOK DIFFICULTIES ON LEFT

Papandreou Dilemma

Athens I KATHIMERINI in Greek 4 Mar 86 pp 1, 5

/Excerpts/ The dismissal from PASOK, in the premier's autocratic way, of the erstwhile, formidable "tzar" of Finance Ger. Arsenis, is developing into a major intra-party problem with a direct impact on the government since PASOK's leftist rank and file appear to be intensively displeased with the dismissal.

On the other hand, Papandreou's forced disengagement from the leftist element in his party in order to persuade the private initiative as well as the West of his "good intentions" deprives him of the control of the syndicalist movement. The consequences from the movement's activation--intensive activation moreover--can affect negatively the government, especially in light of the present economic conditions.

According to circles close to PASOK, the Arsenis dismissal has placed Papandreou in a dilemmatic position. On the one hand the confirmation of his turning away from the leftist influence in the government is pleasing to local and international economic circles. On the other hand, however, the foreign factor is interested in the ability of the socialist government--an interest which was internationally manifested in similar cases in the past--to become the real barrier against the Left--something which neither Papandreou's clash with the leftist forces in his party nor the lack of control over the Greek General Confederation of Labor can assure.

Circles close to Arsenis say the dismissal was sudden to him. However, months ago they could foresee the complete disengagement of the premier from his erstwhile close collaborator. They place the time of this mutual disengagement before the elections of last June when the premier kept secret from Arsenis /his then minister of national economy/ his intention to impose austerity measures as well as his intention to talk about an economic crisis --a fact he had concealed from the Greek people before the elections.

Despite his removal from the premier's environment, Arsenis continued and intensified his contacts with the organized rank and file of the party and continually accepted invitations for speeches whose "heretical" character was applauded by the Left-leaning audiences.

Marxist Wing's Protest

Athens I KATHIMERINI in Greek 6 Mar 86 p 3

/Excerpt/ Regarding the Arsenis dismissal, the movement "A Start for the Marxist Approach in PASOK" /XEKINIMA/ issued the following statement:

"With dismissals and administrative measures /the government/ is trying to terrorize the PASOK rank and file and, contrary to its policy, strikes at every form of unity because it knows well that it cannot stand any voice of criticism.

"These methods, which are completely unrelated to socialism and to the aims and visions of hundreds of thousands of strugglers who built and expanded PASOK, have as their target the virtual disorganization and dissolution of PASOK which still remains (despite the criminal policy of its leadership), the main pole of unity in the labor movement.

"XEKINIMA invites every comrade of the Left in PASOK to fight and become an obstacle to this prospect.

"We ask the Central Committee to rise to its historic responsibility and reject any dismissal of any comrade who disagrees with the present policy and raises a voice of protest, and to ask a special party Congress in order that the democratic process reemerge in the party.

"We invite all the comrades of the Left to fight in an organized way in order for the plans of the bourgeoisie to fail; for the Panhellenic organization of the Left; and for the implementation of a socialist policy--the only one which can take us out of the crisis."

7520
CSO: 3521/94

PAPANDREOU SEEN VICTORIOUS OVER PASOK LEFT WING

Athens I KATHIMERINI in Greek 9-10 Mar 86 pp 1,14

/Article by N. Nikolaou: "The Left Wing of PASOK is Engaged in a Rear Guard Action"/

/Text/ Neither the removal of the highest level officials, such as Mr Ger. Arsenis, nor the mass dismissal and the departures of middle and lower officials from the party, the labor unions, and the youth organizations, are considered any longer capable of shaking or, more so, of upsetting the new poltical orientations of Mr Andr. G. Papandreou. And perhaps it is the first time that the agition, the reclassifications, and the clashes in the bosom of the PASOK nomenclature, are considered to be developments of little importance, whose influence on the course of political developments in the country will be very limited, if not meaningless.

That is the evaluation of the independent observers who are influenced by the indifference or the clearly lowered interest with which the new phase of the intraparty struggle in PASOK is being watched by foreign diplomats in Athens as well as by the leadership of the opposition and the productive classes. No one is worried any longer that it is possible for Mr Andr. G. Papandreou, under the pressure of the so-called "left wing of the movement", to retreat from the political and economic choices he made after long and painstaking consideration in the fall of 1985. Therefore, neither the steady improvement of relations with the U.S. that at some later phase will lead to the renewal of the agreement for the bases, nor even more so the policy of frugality in the economy, are going to slacken or be upset. The so-called "turnings back", according to our prime minister's favorite phraseology, is impossible at this time, while all the bridges for any retreat or escape have been blown up by now.

The solid conviction of the independent observers that the leftist tendency in PASOK has lost its power by now is based on the evaluation made by Greek and foreign personalities that the new orientations of the government do not have a class distinction, nor are they ideological choices, and consequently it is not possible for them to change under the present circumstances, either through labor union struggles, or from within the party with new shifts in the balance of power among the party officials. The anxious desire of Mr Andr. G. Papandreou to improve his relations with the U.S. and the historic compromise with the business world which he desires, but does not dare do yet, are not ideological choices, but dire necessities he must accomodate under the threat of a deteriorating economy and a totally upset balance of power in the eastern Aegean.

The disregard for this dire necessity is what condemns the struggle of the leftist opposition in PASOK to a rear guard action that cannot win. When inflation remains at 25%, when the public treasuries are empty, and most of the socialized public enterprises are struggling this early to find a way to pay the easter bonus, it is, to say the least, ludicrous for Mr Andr. G. Papandreou to be denounced for following a "rightist" policy and for demands to be made that the "Movement" return to the roots of 3 September. Because exactly what has brought us to the present impasses are the policies and tactics that Mr Andr. G. Papandreou himself and the officials who presently have been dismissed were applying for 4 years, presenting them as the more authentic form of the third road to socialism!

The traditional left is trapped in the same erroneous tactic that, for the first time since 1974, appears unable to promote and guide mass claim struggles. And it is not by chance that by insisting on the utopian slogans about returning to the policy of "authentic change" it again gave Mr Andr. G. Papandreou the chance to outflank with the proposal for cooperation he made in Khalkis. Both to neutralize the reactions to the new economic policy and for electoral reasons. If the two KKEs do not succumb under the electoral tactic of PASOK in October, they will be the ones to be accused of severing the front of socialism and surrendering the municipalities to the Right! The blackmail is performed with great finesse and in all probability will succeed.

9346
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POLITICAL ITALY

PCI ELEMENTS PROTEST PRE-PARTY CONGRESS CAMPAIGN PROCEDURES

Text of Reformists' Letter

Rome L'UNITA in Italian 8 Mar 86 p 2

[First paragraph is L'UNITA introduction]

[Text] Yesterday some newspapers reported that comrades Castellano, Galluzzi, Napoleone Colajanni, Turei, Fanti, Villari and Perna, all of them members of the Central Committee, on the evening of Monday 3 February, had sent a letter to the secretary of the party, Alessandro Natta, and to the chairman of the "Commission of the 77." Because the information reported by the press contained news that was incorrect and distorted, the Commission's chairmanship has deemed it necessary to publish the complete text of the letter and to attach some necessary clarifications. This was done in order to provide accurate information and thus avoid the leaking of inferences and distortions and unfounded insinuation--that have already appeared in some newspapers--against the organs of the party's leadership of its attempting to conceal a text of criticism.

Dear Comrades: The Central Committee and the Central Commission made the decision to go to the Congress armed with texts that were not controversial, as could have been possible, in order to present a field for debate based on unity. This choice, made in the context of today's actual political conditions, corresponds to the needs and expectations of the great majority of Italian communists and must be respected, as is the right to carry on freely discussions and the making of proposals.

The necessity of giving a unified base to the debate and to guarantee fully the principle of freedom in order to avoid being on a collision course could be safeguarded if it were openly aimed at establishing the prospect of a reliable policy and in supporting it consistently in its difficulties and fundamental transitions.

Unfortunately, however, it must be noted that the campaign of the Congress is not moving in that direction.

The facts that bring one to such a conclusion and are a cause for concern are numerous and significant. First of all, there is the continuing difficulty of interpreting the relationship between democratic alternative and "government by program," to the extent that, despite the clarifications made by the secretary general of the party to the active members of the party federation of Naples, the problem remains unsolved in its formulation, as evidenced by other interpretations and issues.

During the congresses at the section or federation level, at which the signers of this letter had the opportunity to participate, this question came up as a dominant one and no matter what conclusions were reached in each case, it was always noticed that they caused widespread uncertainty and, at times, disorientation.

In the second place, the choice of a fundamental document in which the various issues are itemized provided an incentive for introducing amendments on single points that went beyond the parameters, significant as they were, set down at the XVI Congress.

This is certainly not an attempt to curb this tendency, but to point out the fact that very little attention is paid to essential matters. As a matter of fact, the greatest involvent during the congresses, the liveliest debate and the sharpest arguments concern amendments rather than the important views and the general party-line.

Actually, some of these amendments are sanctioned, not without some malice, as the only means for following the line and "purity" of the entire political plan set forth by the issues.

In the third place, with the news media very much interested in the internal affairs of the parties, and particularly in those of our party, it happens that for months, persistent rumors have been making the rounds as to the probable composition of the PCI's top leadership after the Congress, from the Secretariat to the editorial directorship of UNITA, to the placement of this or that comrade who will leave or may leave a certain office. That such news is spread is normal, but it is perhaps less understandable through which channels it is leaked. We do not want to invoke a mythical confidentiality nor make worthless denials, but point out that, instead of untrustworthy denials and insurmountable walls of silence, more good sense in the commitment of the leadership group in the activities of the Congress would have helped to dispell the fear that the new Central Committee, to be elected at the XVII Congress, was merely going to confirm decisions already made.

Finally, it happened that precisely during that period our political conduct showed inconsistency, which, at times, created contradictions that have tarnished our image. Many instances could be cited: the partial remission of building tax liability alone would suffice.

This Congress' campaign, then, is not carried out in such a way as to overcome the difficulties that arose after the vote of 12 May and was kept alive with scarcely any political and ideological debate by a large number of comrades. The doubts concerning out conduct on important matters, the lack of adequate reactions to the various current definitions and to the expectations for our future, the difficulty of directing the debate on precise points of order, the presence of wide divergencies among the leadership group, are all matters about which the rank and file has hardly any possibility to express itself except in a voting contest on the single amendments. All this gives rise to a widespread ill-feeling due to the inability to contribute to a greater party unity about views that are not exposed to ever-changing and disappointing versions. Ill-feeling that leads many comrades to not attend the Congress meetings (the causes of absenteeism should be carefully investigated). As to the other comrades, those who do not wish to renounce political action and commitment, it is a call to ask themselves about our identity, about who we are and where we are going.

For these reasons it is necessary to make a thorough investigation of the conditions and ways in which the campaign of the Congress is conducted. The comrades signing this letter have taken positions different from each other on the documents to be submitted to the XVII Party Congress and, therefore, during the ongoing debate, each of them has his own point of view on the contents and procedure considered correct and proper. They consider it indispensible to avoid the paradoxical outcome of a congress that, instead of correcting the errors and limitations that had made the policy of democratic alternative scarcely credible, turns into a political line that is contradictory and uncertain, to the point of limiting the role that our party, because of its penchant for unity and because of its wealth of intelligence and sensitivity, can, and must, play today.

For this purpose, we request that a meeting of the Central Committee be called as soon as possible.

Brotherly greetings.

Carlo Castellano
Carlo Galluzzi
Napoleone Colajanni
Lanfranco Turei
Guido Fanti
Rosario Villari
Edoardo Perna

Response by Napolitano

Rome L'UNITA in Italian 8 Mar 86 p 2

[Text] In view of the fact that the letter closes with a request to call a meeting of the Central Committee (which, according to the bylaws, can also meet at the request of one-third of its members), the Commission's chairmanship, having met last Wednesday, immediately informed the Party leadership, which had been summoned to a meeting on the same day and is the body having jurisdiction, to decide on summoning the Central Committee to a meeting. The leadership was unanimous in believing that a summons for a meeting of the Central Committee on the matters indicated in the letter while the congresses are in session is inadmissible. As a matter of fact, it would be in conflict with the pre-congress democratic dialectics to discuss again in the Central Committee, when almost all of the sectional and a large number of the federation congresses have already met, matters related both to procedures democratically adopted by the Central Committee and the Central Control Commission or on this or that point of the issues or the amendments. The fact that during the debate there have appeared divergent trends on problems just as relevent--as that pointed out in the letter, of the relationships between democratic alternative and government by program--is part of normal democratic life: it is now up to the Congress to decide on the matter and the interference of other bodies would constitute an undue intrusion.

Naturally, this does not mean that it is not the duty of all comrades (and, in the first place, of those who have the responsibility of leadership as have, after all, those who signed the letter) to make an effort so that the debate at the Congress proceeds with the utmost clearness and grasps fully the overall meaning of the line proposed in the documents of the Congress. It is on this line that, according to the vote freely expressed by the Central Committee and the Central Control Commission, the unsolved problems are faced. And there is no one, outside the Congress, who can have a decisive voice in finding a way to overcome "the difficulties that arose after 12 May." It is equally the task of the Congress to solve democratically the diversity of positions that may exist on this or that subject among the leadership group.

In any event, it must be remembered that the procedural method of the issues and amendments was unanimously adopted by the Central Committee and by the Central Control Commission because no one proposed--as was also possible and legitimate--an opposing platform. Naturally, it is permissible for anyone to judge in a different manner the outcome of this method. However, only the congresses of various levels, section, federation and ultimately the National Congress, have jurisdiction as to the merit of the problems, their importance or propriety and the solutions to be adopted.

Naturally, it is always right to be concerned about the level of attendance at the congresses and the necessary urging has been applied since the start of the preparations. However, it is necessary, as has repeatedly been emphasized, to increase and improve the commitment for attendance. The Commission's chairmanship was the first to recognize traces of dissatisfaction and concern and had, therefore, decided, after having repeatedly intervened, to bring it before the Commission at its next meeting. It is, however, a serious error to underestimate the great democratic value of a discussion that involved and involves, as a whole, hundreds of thousands of party members, that has also been of interest to a wide area outside the party, that in many cases registered levels of attendance greater than those at previous congresses, even when no one spoke of absenteeism or dissatisfaction.

The problem of active participation by card-carrying members in the debate and in the decision-making is--not only today--an open question in the life of the parties and mass organizations. The communists are aware of the existing limitations on the subject within the party and the relationship between party and society even it if is necessary to bear in mind always that the differences in the degree of political participation do not detract at all from the importance of a party of the masses.

It is for this reason that--as opposed to what the other parties did--the Communists have not given up the ambition of becoming a great democratic force, organized with a strong grassroots activity. It is precisely the development of the initiative in that direction that is one of the issues that the Congress is called upon to debate and decide. In any event, it is evident that the democratic activity of the party, the clearness and frankness of the debate have reached a new and positive development from which it must not regress in any way.

Regarding the rumors of future reshuffling of the leadership or--as it is said--on the organizational charts, it is not a matter of information that was leaked that is more or less incorrect, but of allegations that are totally devoid of truth. Until today such a problem was never faced either in the Commission of the 77, its chairmanship or its coordinating committee, the leadership of the Party or the Secretariats. This task as well falls within the jurisdiction of the Congress and no one else's.

9731
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KOK DISCUSSES ELECTION CAMPAIGN, PVDA, DEN UYL IN INTERVIEW

Amsterdam DE VOLKSKRANT in Dutch 11 Jan 86 p 3

[Article and interview with ex-FNV chairman and PVDA parliamentary candidate Wim Kok, by Oscar Garschagen and Hans Goessens: "Den Uyl Leading Towards 21 May: And No One Else, Kok Says: Interview With a Stainless Steel Running Mate: Lubbers Is a Wolf in Sheep's Clothing"; date and place not given]

[Text] Den Uyl on Kok: "Kok for 2 years in the opposition is scarcely conceivable. I think that his decision to be available for membership in parliament has to do with the effort by the PVDA to gain control. Kok is after results."

MP candidate Kok: "Yes, that's what Joop said. Naturally I read that. That reflects something of the image that even he has of me. Others have it as well. When you've run things for so long, you are clearly less in the running for an opposition role. Understand me well: I am definitely not applying for the opposition, we must produce results and convert them into participation in governing. But I feel that after having been chairman of the largest labor union for 12 years, it's very healthy to do ordinary parliamentary work.

"Of course it is not the case that I came over to the PVDA because I know for sure that the PVDA is going to be in the government and that I will be a cabinet minister. If that were what I was aiming for, there are certainly safer ways to go about it. I do feel that the road to becoming a minister ought to run via a seat in parliament. But parliamentary democracy is a strange phenomenon. We write it in capital letters when we're talking about the most desirable form of society. However, when we're talking about a role in parliament, many people turn up their noses: surely you're not going to go for a seat there. That has been said to me, and you don't just hear it from people who have lost their confidence and belief in politics."

[Question] It is naturally quite unusual for the ex-chairman of a large social organization to become a member of parliament.

[Answer] "The most unusual thing is that the ex-chairman of a labor federation is only 47 years old. That is the beginning of the story. It would have been much more normal for me to begin my chairmanship of the FNV right now, but I did that at age 34. That story is well known. I wouldn't have thought it would happen this way, but that is how it went. And I do not see why an official, someone from trade and industry, or an educator, can become a member of parliament while someone who was chairman of the FNV for 12 years cannot."

[Question] It is not a question of someone not being able to do so; it is a question of a loss of influence and power.

[Answer] "The chairman of the FNV lives in a glass house, and that's a good thing. He has certain power at his disposal, but he must constantly answer to members and individual unions. Fine, you have a role in the shaping of power, you form part of a particular circuit; doors are opened to you somewhat more easily. That comes from your position. I did not become addicted to that. And fortunately it is also not the case after being chairman of the FNV that people are lining up outside the door with the most interesting jobs. I think that's fine, because if that were the case, you would quickly get an impression something like: he had a place in the sun for a few years, gathered a lot of good contacts and now comes the hard part."

Wim Kok radiates the solidness of stainless steel. He evokes no associations with double meanings, political tricks or other sorts of chicanery. He speaks in lucid sentences which he sometimes clearly enunciates from beginning to end. The prospective politician knows how to present leftist viewpoints in an atmosphere of reasonableness, without immediately lapsing into slick words. He is highly esteemed in the PVDA and he is able to combine that--unintentionally--with appeal to people who would normally vote for the CDA. Not surprisingly, these are people with low incomes who have grown disappointed with what is being called the social countenance of the CDA.

A sober man in a sober environment. As one of the very few leading PVDA politicians, he lives in the same neighborhood as the PVDA electorate: in an Osdorp apartment. A subject naturally arises that in the caverns of the PVDA can be discussed only under the condition of anonymity: the position of Dr J. M. den Uyl as head of the ticket.

New impulse was given to speculations on this by opinion polls published this week by VARA and HET VRIJE VOLK. It is clear from the research financed by the social democratic broadcasting service and the newspaper of the same orientation that Kok is very popular. Among his own rank and file, he does better than Den Uyl, and with new voters that are very welcome to the PVDA Kok scores better, so good in fact that a small majority of PVDA supporters feel that he should thus be head of the ticket. What then is more logical than to resolve to push Kok forward as head of the ticket at the PVDA congress in February. Because without the support of voters who on a previous occasion voted for the CDA or stayed at home, the PVDA will not make it. Now that Marcel van Dam has left the most prominent ranks of the PVDA, such a change at the top would be easier to bring about.

[Question] Is it not Kok himself who says in the recent book on Joop den Uyl, "Politiek als hartstocht" [Politics as Passion], concerning succession to Den Uyl: "Every day of postponement prolongs his glory, but at the same time limits the possibility of adding something to it."

Kok's look is neutral, and he says deliberately: "There was no double meaning or anything in that sentence. Nothing vicious was intended. To my surprise, I noticed that that sentence was making the rounds. It was intended as an assessment that if a particular function is the end of the line for you, then nothing new will turn up after that." And then he switches into a higher gear: "It is good for the PVDA that we replenish one another. I think it's great that I am now doing so well in these opinion polls. We really need those borderline voters right now, we can't make it with faithful PVDA voters alone. But I think it is wrong to explain that as some sort of weakness on the part of Den Uyl. I'm hearing that as well."

Emphatically: "I will not be a party to that. I think that in the months ahead we must combine everything about Den Uyl--his insight, experience and abilities--as much as possible with the drawing power that I have. Den Uyl made himself available in August, and the executive committee of the party reacted positively to that. There is no debate at all on whether there should be a change in this. I myself said, even before August, that I would very much appreciate it if he wanted to do it again. Den Uyl is the best that we have, and it would be a downright shame if he were to step down. Besides, I am convinced that he is not going to do that anyway. He won't do it and he shouldn't do it."

With conviction: "And all the chatter about how Den Uyl should step down because we have Kok has to stop. Naturally, I can't stop anyone from pursuing that train of thought. But I am not a candidate, I am not available. I am offering my services to a campaign in which Den Uyl is playing the leading role. And I think that the PVDA should try to cash in on the combination of experience, knowledge and drawing power."

According to Kok, Den Uyl is uncontested within the executive committee of the party and within Polca, the political campaign group of the PVDA. "And everyone knows that I am not in favor of a change. And if they don't know that yet, they do now. Den Uyl has so much experience and expertise that we should be happy that he is leading us towards 21 May. What really irritates me to no end is the fact that negative conclusions about Den Uyl are somethimes linked to opinion poll figures about me."

Den Uyl's running mate as a matter of course comes forth with the argument that all attention must be focused on achieving resounding election results. The CDA and the VVD need to be ridded of their majority. How is that to be accomplished? There are several strategies circulating in Polca, and their common characteristic is that not one of them is surprising. The picture is beautifully simple: the CDA and the VVD will continue the coalition if they preserve the majority. If they fail to so, the PVDA has a chance. The PVDA must take advantage of the election on its own, work hard, hit the road and hope for the best.

"The political situation is obvious. On the one hand, I think it is logical, but at the same time I think it is serious. Let's say that the picture presented by the opinion polls is confirmed. A large gain for the PVDA, a gain for the CDA as well, a loss for the VVD. I think that it is a serious situation that it is not possible for the two winners to then make a real, material attempt to form a conclusive majority in parliament. That will not be possible because the CDA has already made its choice so clear. If Mr Lubbers is still perhaps somewhat hesitant about that, others in his party are quite explicit. The CDA and the VVD in fact constitute a combine."

But now the problem is arising that the PVDA will be victorious, albeit insufficiently so. The polls indicate this trend. Like every politician, Kok says that opinion polls must be viewed in relative terms. The difference between the actual and the predicted outcome is, both in the Netherlands and abroad, very big. "I think that the theory that we are dropping in voter support is too absolute. There is talk in the polls about slight unrest, but we have plenty of opportunities in the campaign to make that image somewhat more postive again. There is no cause for discouragement. I encounter that here and there in our own circle, be it in The Hague or somewhere else in the country. That disbelief that we will do well is of course the best way to see to it that we squander voter support."

[Question] It is not only cynicism or discouragement. There is unmistakably talk of a political two-way split. The CDA will make common cause with the PVDA only out of extreme necessity. The socio-economic differences are great, and then there are the issues of nuclear power and cruise missiles.

"All in good time," says Kok, an expression that we note at other moments as well. The prolonged experience of the parliamentary candidate in the leadership of a labor federation has a great deal to do with this. "First we have the February congress. All in good time.

"The cruise missiles? The voter is being asked to pronounce judgement on this issue. They are to be deployed within 2 years. I think that it would be extremely ill-advised for us to become trapped in a dense forest of variations, statements and scenarios on this issue. There are all sorts of aspects: the treaty with the United States, the attitude assumed by Lubbers, for whom it would be a godsend if he did not have to deploy, the new talks in Geneva--the world has not stopped turning. We, the PVDA, should not add new scenarios, in part because people are losing sight of what is actually at issue here.

"To put it simply: the PVDA has provided leadership for the opposition to the cruise missiles and has obligated to itself to continue with this. It asks the voters to support it in this. If the voters do not give the PVDA massive support, then you can forget about participation in the government and you can also forget about preventing deployment. It's that simple.

"Political two-way split? The CDA doesn't have a left wing any more. The CDA consciously chose in favor of the VVD, in part out of considerations of electoral strategy. Naturally Lubbers, with elections in the offing, will try to tidy up the social countenance of the CDA, this year's budget is based on this. No allowance was made for the disappointing level of natural gas production; a fun package was put together. The all too ruthless hard blows were held back a little this year. There will also be a display of social countenance in the handling of the social security system reform, and we will have to unmask that. If we do not succeed in doing that, then many people will fall for that trick. Whatever happens this year is a veil over a policy that is moving strongly to the right.

"It is a fact that in this system we cannot think in any other way than in terms of a coalition. Of course, it is not the case that you give each other a piece of your mind during the campaign, only to sit down around the table together after 21 May. A coalition between the PVDA and the CDA or the VVD will be a marriage of convenience. And it will be a less harmonious coalition than what you see right now."

In the former FNV chairman, the PVDA has acquired an important instrument for attacking the socio-economic policy of Lubbers, De Koning and Ruding. In direct discussions with Lubbers (DE BALIE, 1983) and De Koning (VARA-TV, end of 1985), he clearly stood his own. In a television-oriented society this is important, even if a direct televized confrontation with the head of the CDA ticket will probably not take place during the campaign.

"There have recently been a number of hosannas heard on the development of the economy. Yes, of course things are better. It would also be too crazy for words if that were not the case, if we were not profiting from the international recovery which has been in progress now for about 18 months and which is being led in Europe by the FRG." His story is simple: international developments and the Dutch labor movement, which out of well-understood self-interest cooperated in moderating prices, have pulled the Dutch economy out of the impasse.

"There is no single reason to say that the socio-economic policy of the cabinet is the patent solution for society. The policy is to a large extent based on accentuating social inequality and enlarging differences in income. You have to look at the facts on an international scale. If members of the cabinet beat their breasts and say, 'Look, three percent growth, this is the fruit of our policy,' then that is total nonsense. It is just as much nonsense to call from the opposition, 'What do you mean good? Things aren't good.' The economy is doing better.

"What is lacking is that the opportunity is not being seized to translate what we in fact want to do with the fruits of the recovering economy. Unemployment is falling only by tiny increments. The people who pride themselves on the fact that unemployment is in fact declining, and provide figures on this, these people forget to say that 50,000 people over 57 and a half years of age have been defined out of the statistics, forget to say that women and young people are to a large extent so discouraged that they are no longer to be found in those figures; they forget to say that part-time work contributes to the drop in unemployment to a significant degree, while the question very much remains of whether that is taking place under socially responsible conditions. It is all the more poignant that the champagne glasses are again being raised at the stock exchange while we see so little reflection of all this in the unemployment figures. This policy is based on accentuating social contrasts."

Nevertheless, Kok recognizes the head of the CDA ticket as a formidable opponent. "Lubbers indisputably has a competent presentation, knows his stuff and his duties. But we find ourselves a bit in the drunken atmosphere of the DE TIJD survey: the best prime minister since Drees." He refers to the stunt performed by the weekly DE TIJD, which every year asks parliamentary journalists to choose the politician of the year. Part of the parliamentary press corps feels that it must compete in this, and one of them called Lubbers the best prime minister since Drees.

"We must continue to see everything somewhat in its context. A man with great qualities. But as leader of the center-rightist cabinet, Lubbers is of course a wolf in sheep's clothing. What this means is that no matter how neatly, how cleverly and how skillfully that policy is presented, it is still the policy of a center-rightist cabinet. And think about the fact that there is still a thing or two on tap in the years ahead that will be brought out with all due speed after 21 May. And it's not merely a matter of cuts in subsidies based on income.

"Look at what De Koning says: a cutback of 11 billion guilders is not enough, it must be at least 16 billion; look at what Rutten is indicating: the same amount of cutbacks in the years ahead as those experienced on the average each year in the most recent era. Here it is not merely a question of rent subsidies or student aid. No, we're talking about further cutbacks in social security, further cutbacks in direct government expenditures, in adjustments based on income, in government provisions such as health care and care of the elderly. No, it's not a trifling amount. And this at a time when people are starting to get more meat on their bones. That is extremely unjust. This will mean that glamour and pauperization will be associated to a increasing extent."

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POLITICAL NETHERLANDS

POSITION OF DEN UYL AS LABOR PARTY HEAD OF TICKET

Rotterdam NRC HANDELSBLAD in Dutch 11 Jan 86 p 9

[Article by J. M. Bik: "Chance of PVDA in Forming Government Must Be Determined by Choice of Head of Ticket"]

[Text] Despite all official disclaimers, there is unmistakably a strong debate going on here and there within the country's largest opposition party concerning the political course of the PVDA and the question of whether J. M. den Uyl's seventh race as head of the ticket is really such a good idea. New results from opinion polls, widely presented by VARA and HET VRIJE VOLK, provided new fuel this week. This because gains in the polls are dwindling, the government parties are again achieving a majority and ex-FNV chairman Kok is currently substantially more popular among voters than is Den Uyl. The unofficial discussion is not only concerned with the question of whether or not the PVDA can have the best election results with Den Uyl at the head of the ticket (the first doubts are beginning to arise about this). Increasingly at issue is the question of whether the party can then be successful in the formation of a cabinet.

Such intensely coveted success would not only free many party members from their well-worn opposition benches, but also give the PVDA the chance to return effectively into action for its unspoiled voters, specifically, as a government party. Officially, the debate is to be halted immediately, and even Mr Kok himself has again requested this emphatically. Unofficially, the debate could become more intense as the date for parliamentary elections (21 May) approaches.

One seldom discussed part of the problem is that not only the cruise missile issue, but also the designated head of the PVDA ticket and candidate for prime minister, as well as the political history associated with that person, could function before long as a barrier to potential coalition possibilities. With respect to the cruise missiles: The 1 November decision by the Lubbers cabinet on this issue has thus far in opinion polls not had the consequences hoped for by the PVDA. Be that as it may, there is something of an inversely proportional relationship between the election gains expected by the PVDA from its radical dissent and its chances in the formation of a cabinet afterwards. But apart from this, the fact is that the CDA and the VVD, who know their electorates and policy priorities well, right now want to continue governing together, if at all possible. Thus, the PVDA must in any case finish big. And that is not all: at the same time, it must win enough at the expense of the present government parties that they lose their majority.

The PVDA must thus become practically unavoidable as a coalition partner for the CDA and in this way cause a situation to arise in which the VVD as an opposition party could truly sharpen its knives in order to go at the CDA. Should all this succeed to a satisfactory extent, the current CDA ministers (who to an overwhelming extent constitute the personal political capital of their party) would as a consequence presumably have as little desire to be members of a second Den Uyl cabinet as Den Uyl himself wishes to serve "under" CDA leader Lubbers in his second cabinet.

The only Dutch leader who can make new decisions in this issue is Den Uyl himself, now more so than ever. Because it is quite correct to point out that a party is committing electoral suicide if several months before the election it replaces the head of its ticket (especially this head!) against his will and amidst uproar. Den Uyl has for 20 years been the political leader of the PVDA, which has been in existence for 40 years next month. He has indeed frequently experienced situations as head of the ticket in which party colleagues--such as Kok presently--were doing better in opinion polls (previously it was Kloos, Duisenberg and Van Dam). Just as on earlier occasions, it is also true today that the front runner might have a more difficult time in such polls than others who to a certain extent function in the shadows or at least "behind" the head of the ticket.

But seldom has the situation been as charged as it is this time, now that a long-lasting, psychologically unprofitable peak in the polls is beginning to wear down a bit. It is, after all, not only a question of which leading candidate would bring the best election results. More than anything else, it is now certainly as much a question of what he and others--his successor, for example--will subsequently be able to do with those results. Thus, the real problem is whether the PVDA takes positions, on the cruise missiles, for example, that in effect preclude in advance the possibility of a coalition with the CDA.

A change in the head of the ticket at a late date--even without taking into account all the risks with which such a move is tainted--makes little sense as long as the new head of the ticket ends up in the same predicament. Or to put it even more strongly: the successor and his party in fact have an interest in seeing to it that he does not have to begin under the heavy political mortgage of an inconvenient and uncompromising position on the cruise missiles. Or, should he try to get a little political room on that issue, that he should be threatened directly by accusations that he is frittering away this emotionally weighty point of the party platform. This would be the way to get rid of two leaders (the last two ones for the time being) in a short period of time.

After all that has been seen, it would be very strange if the PVDA managed to do such a thing to itself and to W. Kok, right now or whenever. It is striking with respect to this that the doubts concerning the strength of the designated head of the ticket do not appear to be coming from parts of the

PVDA that have appreciable difficulty with the party's cruise missile position. Den Uyl must step down, then we have a better chance at governing, and we'll talk about the cruise missiles later; this seems to be the mood at times. When one realizes that there will shortly (before 21 May) be a deployment agreement with the United States, approved by parliament and in force for at least 5 years, one can only express surprise at this mood.

In short, another head of the ticket on the gangway for the PVDA only makes sense if a good new figure with reasonable chances for a cabinet formation can get started. If a change in the Den Uyl position on the missiles does not appear to be possible to a sufficient extent, or if the conclusion is that even this will not be of enough help in forming a coalition right now with the CDA (read: if the assessment is that this will not appeal to the CDA anyway), then a dramatic change in the head of the ticket will probably be only disadvantageous for the election results. Which are some of the reasons that such a change is thus improbable.

But even without Den Uyl making room, the perspective of an imminent political and personal drama is to a certain extent beginning to show up in the unofficial debate within the PVDA. What lies ahead if the PVDA, holding solidly to its untenable cruise missile position under Den Uyl, loses both the elections and the formation of the Lubbers coaltion? Guaranteed chaos and opposition?

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MILITARY FEDERAL REPUBLIC OF GERMANY

CAPABILITIES OF MAINTENANCE, REPAIR ORGANIZATIONS DESCRIBED

Corps Maintenance Described

Bonn WEHRTECHNIK in German Feb 86 pp 50-53

[Article by Karl-Heinz Hacker: "Maintenance in the II Corps"; first paragraph is WEHRTECHNIK introduction]

[Text] Because the complexity of the subject naturally excludes the discussion of details, the following comments must necessarily be limited to just a few examples and to the presentation of interrelationships. Questions in the development and procurement of military hardware are just as much a part of it as historical trends or future prospects. According to Col Karl-Heinz Hacker, corps maintenance commander of the II Corps, it is simply a matter of presenting the troop as it is today and of explaining in theory and practice how it is fulfilling the "maintenance" mission.

Limiting Conditions

Before discussing maintenance, it seems necessary to present a few facts and figures on the II Corps. The corps is stationed in the Lands of Bavaria and Baden-Wuerttemberg and has an overall strength of 80,000 soldiers in peacetime. It is composed of four divisions and the corps troops.

Its equipment includes (in round numbers):

--20,000 wheeled and 3,000 tracked vehicles,

--more than 100,000 light weapons and 1,600 heavy weapons as well as 650 PARS [antitank guided missile systems],

--a multitude of other equipment of the most diverse nature, from folding spades to radar equipment and the bridging equipment of the engineers,

--and one should not forget the large amount and variety of types of communications equipment.

A large part ofthis material is continuously in use. It is needed in daily duty operations as, for example, in the transport of personnel and material.

It is employed in post and field training areas for training, naturally in the numerous exercises as well. If one also considers that the crews often change as a result of our compulsory military system, that the training is carried out at all times of day and the year not only on roads but also in impassible terrain, and that young soldiers are not also careful with the equipment, then it is clear that this material is subject to a great deal of wear and tear and often suffers major damage.

Against this is the requirement that a high level of serviceability be maintained or quickly restored when the equipment breaks down. This requirement can be met only when adequate forces with a high level of training and up-to-date equipment are available for this purpose.

Manpower, Resources and Performance

The crops has such forces for maintenance at all command levels. They are completely mobile and can be transfered quickly in action.

--Each battalion has a maintenance platoon. It can support the operators and crews in the Technical Service and carry out simple repair work that can be done in a short time (field repair). In addition, armored formations have several tank recovery vehicles for recovering and towing in tracked vehicles that have broken down.

As a rule, the maintenance platoon is commanded by an officer of the technical military service. Independent companies have their own maintenance team that performs the same tasks.

Taking them together, we designate the maintenance platoons and teams of all service brances as maintenance services. On the other hand, maintenance companies and battalions, which will be described below, belong to the maintenance troops branch of service.

--Each brigade has its own maintenance company in support of the maintenance services. With its maintenance platoons, it can undertake difficult repair work on almost all types of brigade equipment with the exception of communications equipment and electronic military hardware (field maintenance). This also includes the suitability testing of damaged equipment.

The company commander is a captain or major who has studied the special technology of mechanical engineering at a Bundeswehr university.

--In the maintenance battalion of the divison, two maintenance companies for general military hardware (comparable to a maintenance company B) and a maintenance company for electronic equipment are combined. The battalion also has a maintenance evacuation company with an SLT 50-2, in part with an SLT 56 as well, and thus can evacuate all damaged large equpment to the appropriate repair installations.

With the maintenance companies B and the maintenance battalion D, the division is self-sufficient in maintenance with the exception of a few weapon systems and equipment types.

--With the maintenance command, the corps has two additional maintenance battalions in peacetime and a third is added under mobilization. Individually, these are

--a maintenance battalion for electronic equipment (such as optical/optronic equipment, radar sets, AAGM armored vehicle ROLAND, and communications equipment) and

--one or two maintenance battalions for general military hardware.

These battalions are primarily responsible for the support of the corps troops but they can also take over backlogs of damaged material from the divisions or be employed in areas where damaged material is concentrated. The calibration of electronic measuring and testing equipment by calibrating laboratories, a special feature of the maintenance battalion EloGer [electronic equipment], is mentioned only to be complete.

--In the major formations, the G 4 employs the units of the maintenance troop as ordered by his commander. In technical matters, he is advised by the command engineer, who in turn leads the "maintenance" element in each staff. S-4 and T-officers take over these tasks in the battalions.

Operations

In peacetime, the maintenance services are located with their units in their respective posts. The units of the maintenance troop are distributed in garrisons throughout the entire area of southern Germany. In the case of general military hardware, they primarily support the units of their major formation but also other army units and formations near their posts. Units with electronic military hardware are always dependent upon support by a certain EloGer maintenance company that specializes in this mission and also stockpiles the necessary component assemblies for this purpose.

All maintenance services and maintenance units stock spare parts in various quantities and kinds. In the brigades and in the case of the division troops, they are only workbench stocks with small parts. They are supplied with spare parts and component assemblies by material companies of the resupply troops. To the extent that spare parts are not available in central supply or cannot be delivered in time, they are procured in decentralized free trade through basic contractors or, by way of exception, from the manufacturing firms.

The duty operations in these units are such that with a regular duty time of 45 hours per week, 30 to 35 hours of repair duty is performed. This time can vary greatly, for the damage to material occurs irregularly. The remaining duty time is for training, sports, technical servicing of their own equipment, and barracks duty. Of course the maintenance soldiers are also classifed for barracks guard duty. Under these conditions, the maintenance services completed 204,629 assignments in 1984, having performed 1.86 million hours of work. In the same time period, the maintenance units handled 116,538 tasks with a total of 1.5 million hours of work.

Engagement of Civilian Firms

For various reasons (exercises or technical material testing, for example), it happens again and again that peak loads occur in the maintenance system that cannot be reduced rapidly enough with the available capacities. In such cases, under precisely defined preconditions, the maintenance troop can contract damaged equipment to trade and industry for repairs. The maintenance battalions with their contracting offices have responsibility for this. As branch contracting offices, the maintenance companies cooperate directly with the troop on the one hand and with the basic contracting firms on the other. Civilian contracting and the decentralized procurement of spare parts that are not available through supply channels represent an important element in the budget of the corps. In this way, the II Corps spent a total of DM20.5 million for the maintenance of motor vehicles in 1984, of which DM 11.9 million were for repair work and DM8.6 million for the decentralized procurement of spare parts.

State of Defense

In combat, the maintenance services are apportioned to forward supply services and rear supply services. Maintenance and salvage teams are kept in readiness immediately behind the fighting units for their direct support and, as a rule, are committed by the technical officer. Under the command of the maintenance platoon leader, the maintenance troops establish a field maintenance center. It is there that one finds the inspectors of the supporting maintenance company. Their evaluation of the damage is the basis of the decision on which repair installation will repair the damaged equipment.

The maintenance platoon B sets up its field maintenance center somewhere in the depth of the brigade area. It can also employ its light maintenance platoons as forward field maintenance centers in the vicinity of the troop maintenance centers to give these direct support. They are always used as the situation dictates, especially the available time.

When the situation permits it, maintenance services and units can also send light maintenance troops forward to repair failed equipment at the place of the breakdown or somewhere nearby. But operations of this kind, designated as forward repair, will be the exception, because light maintenance troops are equipped only with wheeled vehicles and have no armored protection at all.

Once again summarizing the cooperation in the brigade: in accordance with the situation, the technical officer of the battalion decides whether defective equipment will be repaired in the forward areas or brought back to the troop maintenance center. If necessary, he will use a tank recovery vehicle or some other combat vehicle for recovery. At the troop maintenance center, inspectors determine the extent of damage and, at the same time, the need for spare parts and components for the repair. After that, the leader of the maintenance platoon decides whether the damaged equipment will be repaired at his troop maintenance center or evacuated to a maintenance company. If required, he also brings in an evacuation means of the maintenance battalion B that is made available nearby. These concepts of employment, presented here under the example of a defensive position, are also valid in an analogous manner for the other types of combat.

The maintenance battalion D employs its companies in support of the division troops and the brigades in an operating area in the rear of the division zone. Parts of the battalion can likewise, as in the case of the maintenance company B, be employed as forward field maintenance centers or as maintenance troops for forward maintenance. The evacuation means of this battalion, 36 in number, are always kept ready locally for operations, generally in reliance on the maintenance companies B and their forward field maintenance centers.

Analogously, these principles are also valid for the maintenance battalions of the corps. Here it is primarily a matter of deploying the maintenance units in the rear corps area so that there are enough forces easily available nearby for the corps troops but also so that focal points can rapidly be established when a division with a high occurrence of damaged material is to be supported.

Naturally it must also be expected that in wartime use will be made of civilian resources in the form of repair work or deliveries of spare parts. This will be the case above all in the areas to the rear of the brigades. The maintenance battalions D and K are therefore prepared to implement civilian contracts for trade and industry and the decentralized procurement of spare parts in the state of defense as well.

Because enemy attacks on the ground and in the air are to be expected in the rear areas as well, the maintenance units secure their places of operation with their own forces at all times of the day or night. With their infantry and light antitank weapons, they are also in a position to defend their installations against a weaker enemy. Based upon their armament, equipment and training, they are not suitable for larger tasks to protect the rear areas--for an attack against an air-landed enemy, for example. Combat and combat support troops are needed for this.

Training

Soldiers that are employed in the maintenance services and in the maintenance troop in craftman's applications generally come from a related civilian occupation. A tank mechanic, for example, may be a motor vehicle mechanic or an agricultural machine mechanic, a weapons mechanic may come from an enterprise in precision mechanics, and a mechanic for communications equipment may come from a comparable position with the German Federal Post Office or a firm that manufactures communications equipment.

Only by adhering to this principle is it possible for the soldier to achieve the required level of training in the different applications in the available time, which is very short. In the course of his tour of duty, each soldier goes through various stages of training. His training is composed of a craftman's technical part and a military part. Needed is the craftsman and soldier. The training is uniform for maintenance services and maintenance troop.

The recruit receives his 3-month basic training in a maintenance training company. The II Corps has nine such companies that provide training jointly under the leadership of the corps maintenance commander and whose technical training parts cover almost all vehicles, weapons and equipment available in the corps. In the military part, the soldier is also trained with the rifle. He learns how to move in terrain and protect himself against the effect of enemy weapons. He engages in sports regularly and receives basic knowledge about the law and discipline and the organization of the soldiers. At the end of his basic training, he is in a position to assist as a helper in the repair of his own equipment and to defend himself.

The 2-month advanced training takes place in the parent units, that is, the maintenance services of all troops or in the maintenance companies. The technical training of the soldiers is heightened and expanded in practical training with guidance. They are trained in the military areas in the handling of several weapons and learn how their unit defends itself against an enemy on the ground and in the air and how it protects itself against the effects of nuclear and chemical weapons. Instruction on our state and its legal system are just as much a part of training as an intensive and varied sports training. Many soldiers earn a Bundeswehr operator's permit and thus often acquire several thousand kilometers of driving experience in their vehicle.

The service requires the soldier in every respect: at his workplace, in the barracks yard, on the sports field, in the terrain and also in exercises. At the end of his advanced training, and thus of his basic military service, he can work independently on several different kinds of equipment in his technical field and completely fulfill his military assignment within the scope of this group and his unit.

As a rule, soldiers who reenlist become noncommissioned officers after 15 months. Their training takes place in 11-week courses of instruction at the STTr 1/FSHT in Aachen, in which their technical and military knowledge is broadened. After completion of their training, they are maintenance foremen and deputy squad leaders.

Before being promoted to staff sergeant, the soldier must also broaden his technical and military knowledge in a 4-month course of instruction at the service school in Aachen and demonstrate his knowledge and capabilities in tests. After that, he is employed as leader of a maintenance group. In this employment, by participating in an additional 7 months of training, he generally earns the qualification of master craftsman or industrial foreman, whereby the examination for the title of master is taken before examining boards of the competent board of trade or chamber of industry and commerce. As a rule of thumb, it can be said that 10 to 15 staff sergeants in a maintenance company have the title of master.

Annually only about 20 percent of the candidate career servicemen achieve this status. They can seek careers as officers of the military technical service and then, by participating in training course at the FSHT in Aachen or the FSHEloT in Feldafing, they can attain the qualification of a technician. In addition, they receive their officer training at the OSH and following that are employed as platoon leaders in the troop.

This merely describes the basic principle of the training of the rank and file, noncommissioned officers and officers of the military technical service. In practice, there are additional courses of instruction, above all to familiarize with newly introduced equipment and to discharge certain tasks such as, for example, those of motor sergeant, certified examiner, or NBC defense staff sergeant.

Certainly this presentation makes clear that noncommissioned officers, staff sergeants and officers of the military technical service receive comprehensive and thorough training. Thus, for example, the training of a staff sergeant with an 8-year commitment amounts to at least 15 months and often substantially more in the training series for electronic repair. A first lieutenant of the military technical service with 15 years of service has participated in an average of 44 months of career and assignment-oriented courses, about one-fourth of his entire service time.

One can also put it another way: on an average throughout the year, 25 percent of the noncommissioned officers of a maintenance company are in various courses of training.

The training of the troop officers (new course of training beginning in 1985) likewise begins with basic training in a maintenance training company; this is followed by an 8-month advanced training in a maintenance company. The cadet officer course at the service school in Aachen is followed by an assignment as squad leader in the basic training and then by additional troop assignments.

In a 3-year course of study at a Bundeswehr university, the officer candidate, who in the meantime has been promoted, is trained as a diplomate mechanical or electrical engineer. Courses of instruction at the STTR 1 in Aachen and at the OSH conclude his total of 6 years of officer training.

As a rule, the young lieutenant receives his first troop assignment in a maintenance company. After that, he is usually utilized as a maintenance officer and, in the meantime having been promoted to first lieutenant and being about 25 years old, he thus takes responsibility for all repair operations in his company. Following that, numerous possible applications are open to him if he becomes a career serviceman. He can become a company and battalion commander, be employed as a technical officer or as a brigade, division or corps engineer, remain linked with staffs, command authorities or agencies as a technical specialist, or manage the training of noncommissioned officers, staff sergeants, officer candidates and officers as a lecture hall manager, inspection chief or training class commander. No other army service branch has such a multitude of interesting and responsible assignments.

The purpose of the foregoing statements was not only to give some insight into the organization, tasks, performance and training of the maintenance services and maintenance troop through several examples but also to present the interrelationships of the corps maintenance system. Such a presentation would be incomplete without an indication of the dynamic nature of this system. Soldiers come and go. New maintenance concepts require the further development as well as the activation, redeployment, restructuring or deactivation of supporting units.

For any military hardware newly introduced into the troop, elements in the supporting maintenance units are to be restructured or reorganized. And finally, in particular technology in its rapid development represents a new challenge every day. Naturally it is not always without problems that all of this occurs. Therefore, all of those involved in maintenance in the broadest sense are proud that under the given conditions they have repeatedly been able to fulfill all requirements of the command and units to be supported and to maintain the material of the II Corps at a very high level of serviceability.

Maintenance Battalion 210

Bonn WEHRTECHNIK in German Feb 86 pp 55-56

[Unattributed article: "Maintenance Battalion 210"; first paragraph is WEHRTECHNIK introduction]

[Text] Maintenance Battalion 210 carries out the repair work in the II Corps for military hardware that is completely or primarily assigned to special electronic equipment as well as for motor vehicles and generator sets. Itself being deployed in three posts, it thereby supports units and formations in Baden-Wuerttemberg and Bavaria.

In its extensive support mission, the battalion demonstrated repair work in workshop halls of the Rommel Barracks in Dornstadt and in field operations in Breitingen. The palette ranged from the repair of generator sets of the first and follow-on generation, the demonstration of the two REMUS stations installed in semitrailers and the workshop optics/optronics equipment to the many-layered program of the repair of communications equipment and the two ROLAND stations. To implement this manifold mission, the battalion has qualified technical personnel who must, however, be brought in from among its own younger generation. The training, both military and technical, is time-intensive and requires a long absence from the unit. The result is well-trained soldiers who have a good command of their specialty. To illustrate the repair requirements and the work to be done, "stations" were set up by the battalion, which are described below.

--Station 1: Communications equipment (support by the firms Siemens AG in Munich and Rhode & Schwarz in Cologne

In combat, the means of communication are the carriers of information and reports. Without sufficient and above all timely information, correct situation assessments and the formulation of decisions are almost impossible. In the case of the maintenance troop, the importance of command radio and the communications installations has been recognized and put into practice. The training of the technical personnel and the necessary workshop equipment are therefore extensive as well.

The station was set up so that one could see a cross section of the communications equipment now in use. Another purpose was to demonstrate various types of workshop equipment. The palette of the demonstrated communications equipment thereby ranged from the simplest field telephones as well as teleprinters and up-to-date AUTOKO equipment to expensive radio sets and trunk nodes.

In the case of hte 100/400 W radioteletypewriter sets of the old generation, troubleshooting still takes place in the "conventional" manner down to the smallest component, whether it be a transistor, diode or resistor.

Communications equipment of the new generation such as a modern trunk node, for example, require a different approach, as was documented on site. Because of its complex circuits and numerous microchips, the area of communications repair is no longer imaginable without a measurement system supported by computers.

--Station 2 and Station 10: ROLAND antiaircraft tanks (support by the firms Messerschmitt-Boelkow-Blohm and Thyssen Henschel)

The ROLAND antiaircraft rocket tank puts high demands on maintenance. The 4th Company of Maintenance Battalion 210 keeps in readiness a maintenance platoon for repair work at maintenance level 3 on this weapon system. Because of the extensive systems and units of equipment and the multiplicity of special techniques used, the maintenance personnel are trained and employed in two system-related technical directions.

Work was demonstrated in both technical directions--the on-site repair of eletronic equipment in the field and the share of mechanics/hydraulics in a workshop hall. Programmed testing equipment is available for troubleshooting in a radar system or computer, for example. After in part extensive adaptations and support through technical service regulations, it makes possible troubleshooting down to the component level. After the exchange of the component assembly, extensive system-alignment work is necessary. For this purpose, the tank, parked on level ground, is oriented with a line of sight toward a countermeasuring system 60 meters away. The work requires well-trained maintenance personnel and experience. Only a staff sergeant rank in his sixth year of service is able to do this.

The exchange of component assemblies or cable connections requires extensive preliminary work. The lifting of the turret or the bell of the ROLAND antiaircraft rocket tank is a daily job. The soldiers demonstrated this with a hangar crane, whereby the load had to be set down precisely on the lower pins so as not to damage sensitive multicontact plug-in connections. The Roland is repaired in the so-called system repair. That is, the repair of the fire control system, armament, and carrier vehicle is performed in a maintenance element. A separate troop is available for these tasks. It demonstrated the changing and test running of the power pack. This work can be done quickly because of easily accessible connections and snap fasteners.

--Station 3: Computer-controlled uniform measuring and testing system REMUS (support by Krupp Atlas Elektronik in Bremen)

Electronics, which is becoming a larger and larger part of the military hardware, is requiring new solutions in the maintenance area. One of these solutions, namely REMUS (=Rechnergesteuertes einheitliches Mess- und Pruefsystem [computer-controlled uniform measuring and testing system]) was demonstrated by the troop within the scope of the forum. REMUS serves for rapid, objective and effective functional testing, troubleshooting and debugging within the scope of the field repair of electronic component assemblies of army military hardware. The system includes four different mobile types of test stations that meet the test requirements of different areas such as low frequency (NF), high frequency (HF), super high frequency (SHF) and digital technology (DIG).

From the spectrum of the four different station types that a REMUS maintenance platoon has at its disposal, a complete high-frequency station was shown on site.

It is composed of one tractor trailer with towing vehicle and semitrailer with a built-in station; one cabin FM II A loaded on a 5-ton tmil truck that serves to transport the different adaptations; and one generator set with an output of 60 kilowatts.

The test procedure for an electronic component assembly was demonstrated at two HF-stations. It is thereby adapted to the test system by means of a special adaptation. The test system simulates the background of each test piece, that is, it produces the appropriate distribution voltages and signals. The station operator has the task of calling for the specific testing software through the terminal. Error location and error message occur automatically thrugh the monitor and printer. The repair itself then occurs by exchanging the subassembly found defective.

The maintenance troop has REMUS maintenance platoons in the corps area as well as the division area. With them a large number of different weapon systems--from the LEOPARD battle tank family, FlakPz 1 [AAGM armored vehicle], and AAGM armored vehicle to the new generation of communications means--can be tested and repaired.

--Station 4: Optics/optronics (support by the firms Philips GmbH, UB Systeme und Sondertechnik, Hensoldt + Soehne, and Optische Werke in Wetzlar)

The modern conduct of operations provides for operations and action under all environmental conditions. Optronics, linking optic elements and electronics, is the technology that turns night into day. At this station, it became especially clear that an upgrading of the combat effectiveness for the weapon systems basically must be accompanied by innovations in the area of maintenance. Workshop optronics equipment, which has not been in the troop all that long, was presented. This equipment was developed and conceived by the firm Elektro Spezial for the field repair of optronic equipment such as infrared gun sight and observation devices, BIV gun sight and observation devices, and heat detection and heat image equipment.

The workshop equipment is installed in a semitrailer (four-wheeled, 15-ton, closed). The interior is divided into a light area and a dark area and all of the workshop equipment is completely air-conditioned. The most important work areas in the optronics workshop equipment are an optic bench with connection field, power supply and measuring equipment part, and heat image testing device and EMES 15 testing device. In addition, the three clean-air workplaces, the searchlight test facility with nitrogen flushing equipment as well as the high-voltage testing device and the luminescence test occupy a great deal of space in the workshop equipment. The corps and divison maintenance troops are equipped wiht this workshop equipment.

--Station 5: Generator sets (SEA)

To operate stationary installations, electricity is frequently needed as the power source. Often, however, the troop cannot resort to the existing power network. The provision with electricity must then be secured through generator sets. An important task in the maintenance area is therefore the maintenance and repair of generator sets.

The power range of the generator sets used in the Bundeswehr is from 0.4 KVA to 15 KVA in the first generation and from 12 kilowatts to 60 kilowatts in the follow-on generation.

Before the start of the actual testing, the equipment is tested with a testing device called a "test fox" that was especially developed for this purpose. It is thereby determined whether voltage, current and frequency are within the tolerable nominal values for the various simulated workloads and load changes.

After repair is completed, the performance of the output testing was demonstrated on a 15 KVA SEA. This is a final test to show whether all deficiencies could be eliminated.

In conclusion, two additional SEA's of the follow-on generation were demonstrated--the 12-kilowatt SEA and the 60-kilowatt SEA. The new feature for both devices is the high degree of noise suppression.

--Station 7: training simulator; training crew compartment of the GEPARD armored air defense gun

Training simulators are becoming more and more important today. They help not only to reduce costs and to preserve major equipment but also increase the success of the training through repeatable training sections and performance checks.

In the training crew compartment, as part of the GEPARD armored air defense gun training system, the team of commander and gunner are trained by an instructor in engagement sequences of varying difficulty. The success of learning can be checked by recording all actions with the help of electronics.

--Station Lerchenfeld: recovery, evacuation and forward repair

The recovery, evacuation and repair of inoperative military hardware are integral components of maintenance, as was demonstrated in concluding at the post training area "Lerchenfeld." The changing of the power pack of a LEOPARD 1A4 battle tank showed that in the construction great value was put on simple and rapid repair possibilities. The detachment of the power pack, carried out by the maintenance services in maintenace stage two, took only a few minutes. After that, the tank recovery vehicle can lift out the power pack, put it down, and insert the new one. The connections are made in a short time and the battle tank rejoins the combat action.

The standard tank recovery vehicle is likewise used for the recovery of an inoperable battle tank. Following the preparation of the vehicle for recovery, the two tow bars are linked and attached to the damaged vehicle with suitable shackles and, to prevent accidents, an auxiliary support is put under the tow cable. After coupling, the damaged vehicle is pulled to a place where it can be loaded onto the ELEFANT heavy equipment transporter.

Also shown was the loading of the ELEFANT with a battle tank incapable of rolling, whereby the latter was pulled onto the hydraulically lowered loading platform of the ELEFANT by means of two cable winches with a tractive force of 17 tons. The loading procedure that is linked with certain preparatory measures is estimated to take about 20 minutes in the daytime and about 30 minutes at night. Unloading is naturally faster.

9746
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STATUS OF NEW NAVAL PROJECTS REVIEWED

Paris COLS BLEUS in French 22 Feb 86 p 20

[Article by Lieutenant-Commander R. Prezelin: "Current Status of New Ships Under Construction"]

[Text] On 6 February 1985, in the presence of the minister of defense, the general delegate to armament, the Navy chief of staff and the director of shipbuilding, four ships were set afloat in the main covered dock of the Lorient dockyard: the ASM corvette No. 6 (La Motte-Picquet), the AA corvette No. 1 (Cassard) and the tripartite mine chasers Nos. 5 and 6 (Orion and Croix du Sud). One year after this major event, it is interesting to see how far construction of these ships has progressed.

The ASM corvette La Motte-Picquet is afloat and in the completion stage; the superstructures are in place as well as part of the outfitting and electronic equipment: the 100 AA turret on the forecastle; the Crotale ramp on the roof of the helicopter hangar; the DRBV-15 air surveillance radar; the DRBC-33 fire control radar; the Syracuse antenna supports. As is known, the La Motte Picquet is identical to the Primauguet, now in the testing stage, and to the ASM corvette No. 7 whose construction just started at the Brest dockyards and whose hull, when finished, will be towed to the Lorient dockyards for completion (as was done for the La Motte-Picquet).

These three ships are the last in the series and will benefit from considerable improvements over their four predecessors, the Georges Leygues, Dupleix, Montcalm and Jean de Vienne: bridge one story higher; DRBV-15 radar with frequency agility and pulse compression instead of the DRBV-26 and DRBV-51C radars; DRBC-33 control radar; DUBV-24C sonar instead of the DUBV-23; DUBV-43 depth-sonar instead of the DUBV-43 towed sonar; addition of the very-low-frequency DSBV-61 passive monitoring system; improved electronic warfare equipment; reinforced security means. The La Motte-Picquet should be placed in service in 1987.

The antiaircraft corvette Cassard, the first in the series is also taking shape. Already in place are the superstructures, the smokestack, the masts, the DRBC-33 fire control radar, the 100 AA turret, the MK-13 ramp for the SM-IMR missiles and the two SPG-51C tracking radars associated to that system; these ramp and radars are no other than those that already equipped the former

PAPER REVEALS DETAILS OF NEW AIRCRAFT CARRIER

Paris L'USINE NOUVELLE IN French 13 Feb 86 pp 30-31

[Article by Jean-Pierre Casamayou: "Nuclear Aircraft Carrier: All Men on Deck"]

[Text] It will take Fr 8 billion and 12 million manhours to build and outfit the Richelieu. In addition to the Breton Dockyards, the investment will benefit the best nuclear and electronics specialists. And invitations for bids will also be sent to the industry.

The decision long awaited by the French dockyards and industry was finally made. When he signed the order to start construction of the nuclear aircraft-carrier Richelieu, the minister of defense, Paul Quiles, gave the green light to an Fr-8-billion project. An investment that will benefit mainly the DCAN (Directorate of Naval Engineering and Weapons) dockyards and arsenals, and manufacturers working in the nuclear and electronics industries.

It will take 12 million manhours to build the Richelieu. Many invitations for bids will be sent in the next few months. Of course, a number of tasks have already been allocated. Thus, we already know that construction of the ship's hull and its outfitting will benefit essentially the Breton Dockyards. The Lorient dockyard (4,200 people) should devote close to 3 million manhours to build hull sections that will then be taken to Brest for assembly.

At the Brest dockyard (7,400 people plus 1,300 workers from private companies), 8 million workhours--including 30 percent for subcontracting--will be required to build and outfit the nuclear aircraft-carrier (PAN). It will have the same size as its predecessors (261 meters) and a displacement of 36,000 tons. And, a major innovation, it will use rudder-blade stabilizers to reduce roll and yaw movements, as well as an elevation taking-up system (the ship will remain horizontal in turns).

The aircraft carrier is designed to receive 40 airplanes: orders for these may be expected by Dassault, which will supply on-board fighters derived from the Rafale, and by manufacturers associated to the program. Except for the two U.S.-made C7 steam catapults, many invitations to bid will be issued for the deck-landing aid system, fire protection and NBC (ventilation and air .pa conditioning) as well as for the inside outfitting, which should accomodate

1,850 people.

In addition to the hull, a major item on the Richelieu budget is for machinery. The Ecan (Marine Engineering and Naval Weapons Arsenal) of Indret (1,500 people) near Saint-Nazaire, a specialist of naval propulsion systems, will be in charge of building the two nuclear boilers that will propel the nuclear aircraft carrier at 27 knots. The Ecan will work under the direction of the prime contractor, the CEA (with Technicatome in charge of engineering) and will manufacture two K-150 reactors. With a power of 150 thermal kW each, they will supply 83,000 hp on two shafts. For these boilers, the CEA once again devised original solutions. The steam generator is mounted above the PWR reactor, resulting in a configuration that will permit water circulation even if the pumps should fail. Another plus for security.

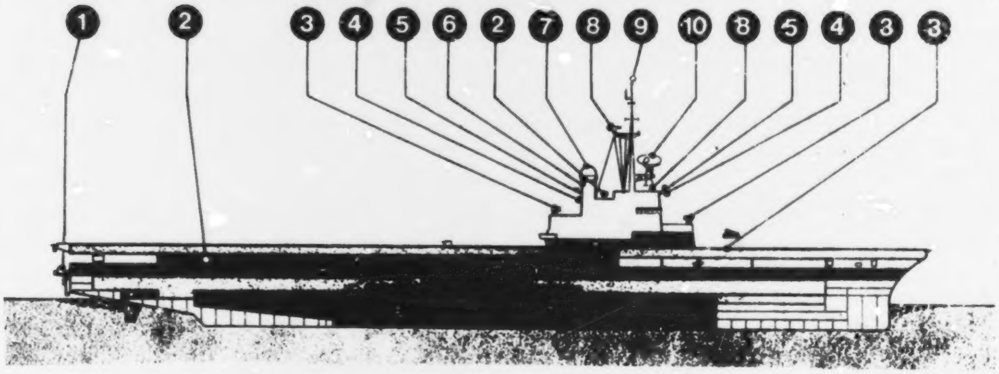
For these items of equipment, the suppliers that will participate in the program will certainly be the same as those already selected for submarine nuclear boilers (Jeumont-Schneider, Rateau, etc.). Nevertheless, many orders will be placed with traditional manufacturers: four 2,000-kW turbo-alternators and six 850-kW alternating diesels will be required to provide electric power. Deliveries and final assembly will be staggered until 1994.

Weapon systems also represent a large contract (of the order of several billion francs). The DCAN has already chosen a prime contractor. Thomson-CSF is in charge of research and development of the combat system. It will get the lion's share of any amounts allocated for electronics. Together with data processing, that should represent over one third of the ship's cost.

The combat system is based on two command-aid systems, truly the brains of the Richelieu. One of them will manage the naval force, the other the ship itself. The latter, based on the Senit (Naval Tactical-Data Evaluation) system, will be made by the Thomson-SDC division. It will manage the data received from radars and other sensors so as to make the best possible use of the aircraft-carrier's various defense systems. For the radars, Thomson decided to use advanced technologies: electronic scanning, frequency agility, pulse compression, integrated testing, etc.

For the defense systems of the aircraft carrier, the DCN called on the best French specialists. Matra will supply a system currently under development and derived from the Mistral, the Sadral (Mistral missiles mounted on a launcher made by CSEE), for defense against Exocet-type antiship missiles. As for long-range antiaircraft missiles, which will belong to a new generation (SA 90 type), Aerospatiale and Matra are still in competition as potential prime contractors, while Thomson is assured of building the launching system, which involves vertical launching.

Another innovation as far as defense is concerned is the importance of electronic countermeasures: ESD radar jammers, CSEE decoy launchers (to foil antiship missiles) and a "first": antitorpedo decoys. In case of a torpedo attack, a submarine decoy will be launched; having the same acoustic and magnetic signature as the nuclear aircraft carrier, it will divert the threat



ELECTRONIQUE DE COMBAT
(sous la maitrise d'œuvre Thomson)

Combat Electronics
(With Thomson as a Prime Contractor)

Radars

Thomson: DRBV 27 distant surveillance radar (10)
DRBV 15 antiaircraft surveillance radar (6)
DRBJ 11 three-dimensional radar (7)
Decca (Great Britain): Two navigation radars (5)

Anti-Aircraft Defense

Matra/CSEE: Sadral (2 x 6 tubes) (1)
Thomson: Intermediate-range system (3)
Aerospatiale or Matra: Missiles (3)

Electronic Measures Center

CSEE and Lacroix: Four Sagaies decoy-launchers (2)
ESD: Two ARBB 33 radar jammers (4)
Thomson: ARBR 17 radar detectors (9)

TRT and Thomson: Telecommunications (8)

away from the ship. To manage these real-time systems, the computers will run software developed by Syseca.

All these sensors, computers and terminals (over 3,000) will be linked to one another through a data-transmission system.

CGA-HBS (Alcatel) knows that it will participate in the development of the system, based on a wideband fiber optic network. Similarly, Sagem and Sfena will be the best candidates to supply inertial navigation systems. As for communications (including one Syracuse satellite link), they will be the province of TRT in collaboration with Thomson.

All this equipment will have to be operational by 1995, when tests at sea will start. But, before that date, construction of a second nuclear aircraft-carrier will already have started, since the Navy requires two such ships. As a result, the program will amount to Fr 17 billion, not including the 85 on-board airplanes (close to another Fr 25 billion). Will there be adequate budget allocations?

For the time being, the 1986 budget allocates only Fr 130 million (with, however, Fr 500 million in program authorizations). Barely enough to buy enough sheetmetal to start with. But everything has a beginning.

9294
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MILITARY FRANCE

LECLERC TANK INNOVATIONS, EFFECTS ON INDUSTRY VIEWED

Paris L'USINE NOUVELLE in French 13 Feb 86 p 44

[Article by Jean-Pierre Casamayou: "The Tank of the Future Is Mobilizing the Industry"]

[Text] The new French tank, the Leclerc, is multiplying innovations and taking suppliers and equipment manufacturers along for a veritable technological leap.

The new French Leclerc tank project is entering its industrial stage. Although the first prototype will be completed only in 1988, to be placed in service in 1991, three rolling benches are already used to test the components of the tank which, for many suppliers and equipment manufacturers, was an opportunity to achieve "technological leaps" (see table).

As Georges Dubot, head of the "future tank" program at the Directorate of Land Weapons, explained, "this equipment meets the combat requirements of the year 2000. Its innovations in the field of protection and computer-aided management of the weapon system make it the first tank of the new generation."

Actually, more than an innovation, it is a revolution in the field of protection: for the first time, a box-armor structure (including composites) can withstand hollow-shaped charges and reduce the impact of arrow-shaped shells. As far as the engine is concerned, France has finally made up for the ground it had lost in this field, thanks to Unidiesel, the company that developed the "hyperbaric" Poyaud engine; it is supercharged by a turbocompressor and delivers a power of 1,500 hp for a volume equal to that of the 700-hp engine of the AMX 30. Since the Leclerc tank will weigh about 50 tons, its mobility will be unequalled worldwide: it will have a specific power of 30 hp per ton...

The development of this tank (costing close to Fr 200 million per year) started in 1978 and made it possible to integrate all that could be salvaged after the failure of the French-German tank cooperation: the 120-mm smoothbore gun from which the CN-120 that equips the Leclerc tank was derived. As a result, the ammunition (combustible-case arrow-shaped shells developed in cooperation with Germany) will be compatible with that of the Leopard-II and Abrams tanks--to the great advantage of the French equipment, which is provided with an automatic charger (a worldwide first) so that it will require one crewman less. Interoperability will be further achieved through tracks already used by both French and German armored vehicles.

However, the main innovation has to do with the weapon system management, based on digital techniques already widely used in aeronautics. For the first time, a tank will be provided with a digital bus to exchange and manage equipment data, and to monitor the situation within the tank (ammunition, engine) and outside (allied and enemy positions). "This equipment represents a major technological leap compared with existing equipment. It is without any known competitor," Christian Schuller, engineer in charge of turret equipment, pointed out with pride.

Fourteen hundred units of the Leclerc tank will be built for the French army, and it is most likely to be built under a license in Spain, as is already the case for the AMX-30. This means tens of thousands of manhours for the arsenals of Bourges, Tarbes and especially Roanne where final integration of the tank will take place. Full production rate (100 units per year) will be reached by 1995.

In the meantime, the workload of these arsenals is rather meager: there are still 565 AMX-30 tanks to be renovated into 30-B2 tanks, and 166 AMX-30 B2 to be built until 1993. Until the end of the year, the production rate will be 11 vehicles per month; after 1986, it should drop to 6. Unless, that is, a first order is received for the AMX-40 (the armored vehicle of the Leopard-II category specially developed for export) which until now has found no purchaser.

From Hull to Gunsight: The Manufacturing Breakdown

Around the Roanne, Tarbes and Bourges arsenals, many manufacturers will participate in the contruction of the Leclerc tank. This table lists the main companies already selected, to which other equipment manufacturers and subcontractors will be added until 1987. (Source: L'USINE NOUVELLE).

Tank Components	Manufacturers	Characteristics
Hull	GIAT. Roanne Arsenal (ARE)	Compact Hull. Revolutionary box-armor using composites. Improved resistance to hollow-shaped charges and arrow-shaped shells. The ARE is responsible for the final assembly.
Engine	Unidiesel Group: Alsatian Mechanical Engineering Company in Mulhouse, and Surgeres Mechanical Engineering Company	V8 16.5-liter Poyaud engine of the hyperbaric type, with a 1,500-hp power output.

Tank Components	Manufacturers	Characteristics
Turbocompressor	Turbomeca	Provides engine supercharging and operates as an independent turbine to supply electric power (9 kW).
Transmission	Valeo (SESM)	SESM-500 type.
Gearbox with torque converter	Valeo (SESM)	Electronic-control hydraulic clutch. Permits gear shifting without interruption of the traction torque. Carbon couplers (SEP).
Suspension	Samm and Messier	Hydropneumatic suspension in competition with the traditional torsion bars.
Brakes	Valeo (SESM)	
Brake disks	SEP (European Propulsion Company)	Carbon-carbon disks.
Turret	GIAT. Tarbes arsenal (ETS)	Flat turret, two-men crew.
Gun	GIAT. Bourges arsenal (EFAB)	120-mm smooth-bore gun. Automatic charger.
Automatic charger	Creusot-Loire (Specialty Mechanics Division)	A world first. Magazine containing 24 combustible-case shells. Firing rate: 1 every 4 seconds.
Turret actuator assembly	CSEE	New-technology electric actuator assembly (30 kW). Power accumulators.
Turret/gun slave control	CGA-Alcatel	Permits firing during tank motion.
Gunsights (Tank commander) Gunner	SFIM/SERE Sagem	Gyroscopic sights whose image is transmitted on video screens. The inertial systems of the gunsights are used for navigation.
Range-finders	Cilas	Laser range-finders coupled to the gunsights.
Thermal gunsight	SAT	Permits around-the-clock all-weather firing.

Tank Components	Manufacturers	Characteristics
Fire-control computer	Serge Dassault Electronics	Manages data exchanges and equipment use. Multiplexed digital links (Digibus).

9294
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1986 AIR FORCE PROJECTS, ACTIVITIES RELEASED

Paris AIR ACTUALITES in French Feb 86 pp 16-17

[Article signed F.P.: "The Air Force at the Beginning of 1986"]

[Text] Aircraft activities scheduled for this year should total 400,000 flight hours. They will involve five high commands. This gives us an opportunity to assess these commands.

Strategic Air Forces

- Mirage IV: the transformation of version A into version "P" (penetration) goes on. As is known, the Mirage IV P-01 arrived at the Military Air Experiment Center of the Mont-de-Marsan air base, in February 1985. The first bomber squadron equipped with Mirage IV P, the aircraft carrying the air-to-ground intermediate-range (ASMP) nuclear missile, will become operational during 1986.

- C135 FR: the first four C135 FR, retrofitted with the French-U.S. CFM-56 engine (SNECMA-General Electric) were delivered to the 93rd In-Flight Refueling Squadron. The seven remaining aircraft will also be re-engined.

- SSBS 3D missiles operated by the 95th Strategic Missile Squadron; strengthening of the system was completed.

Antiaircraft Defense

- Mirage 2000: the first squadron has been operational since 1984 (Fighter Squadron 1/2 Cigognes). Transformation of the second squadron (EC 3/2 Alsace) will be completed this spring.

The modernization of the detection and control centers (STRIDA stations, antiaircraft defense data-processing system) goes on, the latest station to receive a brand new data-processing system was the Drachenbronn station.

- Squadrons: there are four of them and they will eventually have three interceptor combat-wings each.

Tactical Air Force

- Mirage F1 CR: in 1986, the Reconnaissance Squadron 1/33 Belfort will also be operational on Mirage F1 CR, side by side with Squadron 2/33 Savoie. Squadron 3/33 Moselle, whose Mirage IIIRD still have a good potential, will be transformed later on.

- Mirage 2000 N (nuclear): the first Mirage 2000 N will be delivered to the Air Force in 1986. Equipped with the air-to-ground intermediate-range (ASMP) missile, this two-seat aircraft will first replace the Mirage IIIE of the Nuclear Penetration Squadrons..

Military Air Transport

-DC8-70: three DC8 retrofitted with CFM-56 engines are being operated by the Transport Squadron 3/60 Esterel, side by side with two other non re-engined DC8. These four-jet aircraft cover the long-distance transport requirements of the Armed Forces.

- C160: all new-generation Transall (NG) have been delivered. Two squadrons, the 61st and 64th, are deploying each 10 aircraft. A few C160 are also operated by some overseas transport squadrons (ETOM).

- Ecureuil: two units are equipping the Helicopter Squadron Parisis and the Helicopter Crew Training Center.

The latter, the CIEH, is now located in Toulouse-Francazal, near the Transport Crew Training Center (CIET).

- N2501: deflation of the Noratlas cargo aircraft is practically completed.

Air Force Schools

Unit transfers that took place as a result of the implementation of the Air Force facilities tightening plan involved:

- the Flying Personnel Initial Training School: equipped with Cap 10, it is now located in Avord, near the Transport Specialization School (which is equipped with Xingu);

- the Instructors Training School, which is equipped with CM170 Fouga Magister and is now based in Cognac. It is stationed near the school where future Air Force and Naval Air Force pilots are taught basic flying skills (on Epsilon and CM170).

From now on, the training of student fighter pilots will progress from the Epsilon to the CM170 and the Alphajet, with the support of flight simulators. (To train its fighter pilots, the Air Force relies to a large extent on simulation (aircraft, mission and combat simulators) and on armed-aircraft two-seaters (Mirage 2000B, Mirage F1B, Jaguar E, Mirage IIIB and BE) and, in certain cases, on Mystere 20 on board of which some systems of the armed aircraft have been installed.) Student transport pilots are trained on Epsilon and Xingu aircraft.

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ARTICLE ANALYZES COTAM OPERATING STRUCTURE

Paris AIR ACTUALITES in French Feb 86 pp 20-24

[Article by Cadet Christophe Justeau: "The COTAM Operation Center"]

[Text] "(...) I cannot imagine that this clock would exist and would have no clockmaker" (Voltaire).

Saint-Denis of Reunion--10:00 local time. The DC8 connecting continental France to the Indian Ocean is landing on the already scorching runway of the airport.

Thousands of kilometers farther east, that of the DIRCEN line is signalling to the Papeete Control Center that the aircraft will be in the final stage of its trip in 25 minutes.

In France, it is 7:00. Two new-generation Transall C160 are being boarded by draftees of the Evreux Air Commando Fusiliers Instruction Center (CIFC) who will jump off above Saint-Andre-de-l'Eure a few minutes later.

At the Cazaux base, day is breaking. At the end of the runway, a Transall with 30 passengers and 2 freight pallets on board is waiting for the control tower's authorization to take off to Colmar.

Around the clock, under all climates, the aircraft of the Military Air Transport Command (COTAM) are punctually and exactingly carrying out the many missions entrusted to them. Behind this gigantic and smooth-running mechanism... there is a clockmaker: the Operation Center, the CO.

From Villacoublay, it prepares the mission of each aircraft and monitors its execution hour by hour, in all its details. The omnipresence and authority of this vital center, served by a personnel up-to-date on the theoretical and practical aspects of transport missions, confirm that the CO is capable of tackling not only the expected, but the unpredictable as well.

A Unit

In 1962, the COTAM succeeded the Air Transport Military Resource Group (GMMTA) whose creation on 21 May 1945 officially recognized the importance assumed by air transport during World War II.

Until 1968, a single section of the General Staff of this high command could adequately ensure the operational monitoring of the missions whose decentralized organization was to a large extent in the hands of the squadrons. Then, as the Military Air Transport expanded, especially after the Transall and DC8 were placed in service, improved coordination became necessary. Indeed, requests for transport sometimes exceed the capacity available at a given time, and they must be centralized so as to be assigned priorities or to be staggered, making the most of the dispersion of TAM units and of the diverse capacities of TAM resources.

The problem is then to choose a suitable structure that will further improve the Command's operational flexibility.

This is why the Operation Center was created in 1968. Since then, squadrons based in continental France (Transall, DC8, Nord 2501) have been receiving their instructions from it.

Efficiency and Economy

Because of the importance of its mission, the CO is placed under the direct authority of the general commanding the TAM, on a par with the staff and the technical directorate. After consulting with the Army General Staff the center, which monitors the execution of the squadron's workloads, centralizes the requests for transport submitted by the competent authorities, translates them into orders to be sent to the units (mission elements, administrative operations, technical provisions) and reconciles the requirements of crew training with the execution of the missions. It monitors flight completion at all times so as to intervene under any circumstances, and responds to any alert measures and to any event that would immediately trigger or modify a mission.

In the last analysis, its creation answers a dual concern. First, a concern for efficiency: the CO is ensuring that the COTAM is in a position to honor within the shortest possible time all the mission requests received not only from the Air Force, but also from the other Armed Forces, from departments supervised by the Ministry of Defense and, under certain conditions, from other ministerial departments or public organizations. Second, a concern for economy: rationalizing the use of all of the TAM resources and avoiding duplications, it regroups as much as possible requests for different but compatible missions. Thus, to save assignments, a Transall accompanying a fighting squadron on a firing campaign in Cazaux may then go to Pau, to fly for the Airborne Forces School.

Therefore, whereas the General Staff and the technical directorate usually operate in a delayed manner, the former defining the doctrine and conditions of utilization, the latter implementing the equipment maintenance policy in order to ensure optimum fleet availability, the CO is working in the present instant, in liaison with the Armed Forces Operation Center, the Air Force Operation Center, and the Army and Navy Operation Centers.

Qualification and Availability

Despite the complexity and scope of its task, the CO is running its operation with a staff of fewer than 80. Rigor, discipline, professional qualification, experience and availability are in order.

Officers and non-commissioned officers are drawn from among the flying personnel, except for secretaries and transmission specialists. All have a long operational experience acquired in squadrons. Only 15 draftees are employed there; very much available, they work in particular as plotters and teletype operators. It is thanks to these cadres and draftees that the huge synthesis work required gets done.

We should also point out that the years of service and diverse assignments of these officers and non-commissioned officers have enabled them to establish relations with many of those who have now reached positions of great responsibility within TAM units or outside. These relations are an additional guarantee of efficiency, as symbiosis promotes collaboration between the center and its partners.

To this cohesion issued from the past is added a complicity born of the present. Indeed, the CO commander is particularly eager to see all the personnel of his unit operate in close liaison with the squadrons. His subordinates regularly take part in missions and remain in touch with crews, transit organizations and stopover airports. In addition, squadrons call on them; all can then put a face on the voice or name of their usual correspondents and, above all, discover the exactingness, imperatives and complexity of the work done.

The three basic aspects of the CO mission--request centralization, mission preparation, mission completion monitoring--directly inspired its organization into three divisions: "planning," "preparation," "control," to which should be added the transmissions division.

Planning

At the root of all activity, the "planning" division centralizes transport requests for the forthcoming year according to a procedure that is very much like the preparation of a budget.

In the fall, each applicant evaluates his needs for the next year. The applicants are essentially the General Staff, the high commands and air regions for the Air Force, the General Staff of the Armed Forces, the Central Directorate of Nuclear Testing (DIRCEN), the Airborne Troops (TAP), the General Directorate of Armament (DGA), and the Armed Forces Information and Public Relations Service (SIRPA).

Based on this, and taking into account the utilisation plan (PU) prepared by the Air Force General Staff and statistics for previous years, each COTAM "customer" is allocated a flight-hour credit whose implementation and management are entrusted to the CO.

Based on this utilization plan and on the requests received, the CO prepares a transport plan for the year. At this stage, the operation center already has a rather precise idea of its working schedule.

The preparation of more detailed workload schedules, first by quarter then by month, leads to a better definition of the conditions under which each mission will be carried out: type of aircraft, squadron, etc. These documents are then sent to the squadrons. In case of dispute, arbitration is provided by a decision of the EMA or EMAA, based on the CO's proposals and capabilities. To simplify entry and editing, computers are used.

About 15 days before the beginning of the next month, mission files are opened to gather the required documents. Two categories of files are created, depending on whether missions will take place in or outside of continental France. The next stage can then begin.

Preparation

Preparation consists in defining the general conditions of execution, launching the necessary administrative and technical operations, and finally starting the missions proper.

In continental France, the missions are processed directly by a cell of the "planning" division. Outside of continental France, missions are more complex and they are the province of the "preparation" division.

Using a rail system, the monthly wall charts on which future missions have been entered, by squadron and by aircraft, are pushed from the "planning" room to the "preparation" room. The files also follow. Work, which includes three stages, can then begin.

Flight routes and time schedules are set based on the type of aircraft chosen, operational imperatives, crew employment standards, payloads and corresponding fuel loads, stopover facilities, passenger comfort (early departures, late arrivals, stopovers in tropical countries) and air traffic rules. These form the basis of the air preparation work.

It is followed by the most difficult stage, involving administrative preparation and including the procurement of flight-over authorizations. Some, provided for in agreements, are permanent; others are granted only for certain types of missions, mostly humanitarian missions; finally, flight-over may be authorized only for specific missions. The "preparation" division is then in charge of processing these requests and does so as soon as possible, as they sometimes involve a one-month waiting period.

In addition, there are requests for assistance at stopover airports. On military airports, assistance is based on reciprocity and requires only that notice be given to the authorities in charge. On civil airports, assistance is provided by airlines, Air France or UTA depending on the zone, under assistance agreements, (relations with airport authorities, taking care of passengers, replenishing, repairs if needed). Except for special cases, these airlines will aid COTAM aircraft only after their own; each mission must therefore be planned so as to have the benefit of a slot and thus avoid excessive waiting.

Technical preparation constitutes the third stage. The fuel quantities required are estimated. Checking that adequate loading and unloading facilities are available at stopover airports, the division writes the order to carry technical equipment sets and cargo compartment equipment. It also specifies the aircraft version (passengers, freight or mixed) to be used.

Finally, in liaison with the transmission center, it prepares the "listening plans" that will make it possible to remain in constant touch with the aircraft.

The file is ready. A mission-start message, specifying all mission details, is sent to the squadron and organizations involved. The division has finished its work. The "control" room must now take over.

Controlling

On the eve of the mission, the file is handed over to the "control" division which will monitor the mission from takeoff to landing. Since it is working around the clock, it can also monitor other aircraft which do not belong directly to the COTAM (e.g. when government authorities are travelling).

The control room is run by a small team consisting of an officer of the watch, an assistant non-commissioned officer and a plotter. To ensure continuous monitoring, each "watch" lasts one and a half day, with two officers on duty in the morning.

On the walls, various charts, including a table displaying all current missions, give controllers immediate access to all useful data (weather, squadron technical availability, etc.). The controllers also have at their disposal the files of all missions, and multiple links connect them to the Air Force General Staff, to the "Air" Operation Center, to the standing operational staff officers (OPO) of the squadrons, to military stopover airports, etc.

Aircraft are monitored by regular radio contact starting within half an hour after takeoff. The messages received by the CO "transmission" center reach the "control" center whose plotter updates the monitoring charts.

With the benefit of an overall view of the situation and of the condition of the COTAM fleet, the CO can intervene immediately under any circumstances (equipment failures, delays, mission changes, aircraft diversions, etc.). We should add that, outside working hours, the officer of the watch, the "COTAM OPO," can as such respond immediately to any request and start unscheduled missions, the most frequent illustration of this being medical evacuations ("Evasan") (close to 350 per year).

Transmissions

The fourth component, the Transmission Center, consists of 25 "coding" and 20 "radio" specialists who, like those of the "control" center, work around the clock. The division processes 30,000 messages per quarter (the "transmissions" division is also in charge of sending or receiving messages for the COTAM General Staff and its technical directorate) and uses 3 types of links:

- a telegraph station linked to the network of the Air Force Transmissions Command and to the Villacoublay base transmission section. To process the COTAM traffic, it is also linked to the Telex service of the PTT (connection with all subscribers worldwide, and more particularly with representatives of the Air France and UTA airlines and subcontracting companies);

- a radio station operating three networks: the UHF/VHF voice network for short-distance links with flying aircraft, from relay stations distributed on the bases where the squadrons are stationed; a medium-range HF network with graphics capabilities to cover Europe and the Mediterranean; an HF/BLU network for distant flights, permitting surveillance on several frequencies and on different channels. Worldwide coverage is provided through several stations (Villacoublay, Papeete, Djibouti, Fort-de-France, Noumea, Saint-Denis). Backup stations can also be placed in service should the need arise;

- finally, a telephone station provides an operational link with flying units and with the Armed Forces CO.

Messages to be transmitted and messages received by the Center transit through the "message dispatching" office which chooses the transmission means to be used for the former and directs the latter to their recipients at the COTAM. Division specialists with suitable equipment may be delegated wherever air transport movements warrant their presence (Chad until October 1984; Central African Republic; Sinai).

Daily Flights

In addition to these overall functions, the CO is responsible for other missions, such as managing the air resources delegated by the COTAM to be used by other high commands. It must then ensure that aircraft are relieved. Similarly, it manages the resources detached to transport groups created on the occasion of foreign operations, such as "Manta" in Chad.

In Saint-Denis of Reunion and in Papeete, the DC8 have landed and are being replenished by specialists of the assisting airline. In Saint-Andre-de-l'Eure, 150 young commando fusiliers are recovering from the excitement of their first parachute jump. Somewhere between Cazaux and Colmar, a Transall is flying on course...

At the CO, the day has only just begun: planning for the next quarter is stumbling on a difficult decision; the "preparation" division is in full swing; the control room and the "transmissions" division are monitoring current missions and, simultaneously, a trip abroad of the president of the Republic.

All day long, the Operation Center will unravel and organize the intricacies of military air transport requirements. All day and all night long, it will monitor its implementation.

If the clock is working... it is thanks to the clockmaker!

9294
CSO: 3519/140

DE RUITER ON MILITARY PRESENCE, TASKS IN ANTILLES

Rotterdam NRC HANDELSBLAD in Dutch 24 Feb 86 p 6

[Article: "Military Pulls Out of Aruba after 1996"]

[Text] Willemstad, 24 Feb--Given the planned constitutional changes for Aruba that were agreed on in 1983, the Netherlands military presence on that island will end as of 1996. As long as the Statute governs the relations between the Netherlands and the Antilles, the Netherlands will fulfill its obligations in regard to the external defense of the five islands of the Antilles.

Minister of Defense De Ruiter made that declaration; he is currently visiting the Netherlands armed forces on Curaçao and Aruba and has consulted with the Martina cabinet.

Aruba's separate status has not brought about any essential change in the Netherlands' defense mission in the Caribbean region. The modifications which still have to be made since Aruba became an independent country within the Kingdom are of a more technical nature. Minister De Ruiter does believe that the islands, starting with Aruba, must give some thought to defense matters in the future. He thus will emphasize that point during his discussions today on Aruba.

According to article 3 of the Statute for the Kingdom, the Netherlands is responsible for the defense of the six islands. The duty ends as soon as an island becomes independent. "There is no time limit for the Netherlands military presence," Minister De Ruiter says. "The limit is set at independence. As soon as a country becomes politically independent, it also becomes independent in defense. For the Antilles no date has been set yet in that regard. For Aruba the year 1996 is it, and it is no secret that we assume that at that time the island will also stand on its own feet defensively." That does not mean to say, the minister notes, "that Aruba will be left in the lurch. It must not be ruled out that independent Aruba might ask another independent country, the Netherlands for instance, for defense cooperation. That would then be a bilateral defense agreement, such as we already have several of. I have to keep that theoretical possibility open. What eventually will happen, I of course do not know."

The minister does not like the idea of using the marines stationed on the islands to put out domestic fires. Their own police are primarily responsible for that. It is not likely then that Netherlands marines will be used again, as they were in the turbulent days after 30 May 1969 on Curaçao. Nonetheless, the governors of Aruba and the Antilles can always call on The Hague for help from the marines in case of large-scale disturbances that the police can no longer get under control. The mission of the Netherlands armed forces on the islands is primarily one of external defense. Minister De Ruiter readily admits that the few hundred men could do little if it really came to a large-scale attack on the islands. "Look on our military presence more as a tripwire. The purpose of it is to emphasize the Netherlands' political and military involvement in the international order in the Caribbean region."

12593
CSO: 3614/71

ECONOMIC BELGIUM

VERHOFSTADT ON BUDGET PROBLEMS, PERSONAL VIEWS

Brussels DE STANDAARD in Dutch 11 Feb 86 p 3

[Interview with Guy Verhofstadt, Belgian minister of the budget and science policy, by Laurens De Keyzer: "Verhofstadt: Budget Minister Has To Act like a Good Housewife / An Interview with no Difficult Words"; in Ghent; date and occasion not given; capitalized passages emphasized in original; ellipses as in original]

[Text] Ghent--"Yes, I know, they are saying: Martens cleverly brought Verhofstadt on board to avoid having a scolding mother-in-law outside the government. And besides, with a new chairman the PVV will have to start all over from scratch to create an image for itself... I know, they are saying that. The truth is this: Martens emphatically asked to have Verhofstadt on his team, so that we would have the strongest possible team. It is that simple. And as for the PVV, first of all Annemie Neyts will be a great chairman, and second, as a minister I can still work on my party's image, maybe more than before."

Guy Verhofstadt is from Ghent. Until he was 10, he went to school on Van Monckhoven Street, not 100 meters from the house of one Wilfried Martens. Today he is 32, deputy prime minister and minister of the budget and science policy under that same Wilfried Martens.

A conversation with Guy Verhofstadt, the youngest Ghent native in this country's national heavy-weight ring. The conversation starts with the national debt.

"5000 billion in outstanding debts! That is incomprehensible to a normal brain. It makes people not see the problem any more for that matter, that is the danger of such astronomical figures. And yet, they are real.

"You will see that we can not solve such a gigantic problem in 2-4 years. We can move in the right direction, as long as we once again become a good housewife. That is to say, a housewife who very consciously and structurally forces the family's spending to come down and checks spending day in and day out. And that last, that had never happened before in Belgium. We are going to do that checking every day, and not twice a year as in the past. The poltical will exists, certainly Martens has it. He is happy to have a difficult minister of the budget, a minister who knows just one word: no, neen, non, depending who he is speaking to.

"Indeed, we have already taken steps along those lines. So far the most spectacular was to freeze spending committments on 12 December 1985, instead of letting the ministries go on spending out of their cash drawers through to 31 December. I have been able to get my colleagues to agree to eliminate certain expenditures instead of making those expenditures as fast as possible due to the annual fear that otherwise they could just whistle for the money the next time. That measure represents a saving of 12 billion over 3 years.

"That is just an example. What I mean is that in such matters we have to carry on without cease. The philosophy we must try to follow in this is: we must adjust our spending to our income, and not as in the past adjust our income as a function of our spending.

"You know, for a long time people thought it would all work out fine if we just did NOTHING. The economy will surely improve again, and then there will still be time to glue the pieces back together again. But that is not intelligent, is very egoistical, because that means silently placing a burden on our children and grandchildren in a way that makes you shudder.

"Furthermore, there were not a few ministers who were very hesitant about reducing their financial resources, because that also means reducing their power as minister. With less money after all you cannot give out any more gifts."

New Voters

He has hardly changed, Guy Verhofstadt, not even his opinions. But naturally he has evolved. Now he cannot, must not live only by opinions, but also by compromises. He has lost some superfluous gestures. But he looks and laughs as self-assuredly as ever, a bit cool, not always interested, but even so a sympathic character.

He is married to an attractive soprano, has no children--"...although we are thinking about that more than before."

In the last Parliamentary elections his party suffered a heavy blow, but the then party chairman himself won a resounding victory. Still not as popular as Martens, but still following very nicely in the tracks of his most important Ghent political opponent and companion in anticrisis recipes.

"I really do not understand it myself," he says. "Really and truly. Now I can conjure up 10 or 20 arguments out of my head, but I still have not come up with the one right analysis.

"For that matter, people are so quick to talk about the PVV's loss of votes, but they forget: first, that we have 650,000 voters, and that is after all the second-highest number we have ever had; second, that half of our voters are not even 35 years old, and that is promising for the future; third, that 12.5 percent of the voters in our ranks are NEW voters, and THAT nota bene for a losing party!"

Taxes

I tell the minister a well-known little story.

A woman who wants to do something else for a change besides cook and clean looks for a little part-time job. She finds something that will bring her an average of, say, 3500 francs a month. Just to be sure she walks over to the Tax Office and asks how much of that she will have to pay the government, given her husband's income. The official works it out: 48 percent goes for taxes... Half of it.

Guy Verhofstadt: "Hey, even so that woman is lucky! I know about worse cases, much worse! I know what you are thinking. Is it reasonable for the woman to take that step? Wouldn't she do better to cheat? I know you think that. And I can understand it. Our taxes have reached the limit not just of what is tolerable, but also the limit of what is permissible.

"I think that Henri Simonet is correct in his analysis when he says: 'It is not the cheating citizen who is at fault, it is the government with such perverse fiscal laws.' That is correct. It is normal for people to try to escape the stranglehold of such laws.

"But in the meantime we must of course not forget that we have this enormous debt of billions. Therefore that we first have to dispose of those debts. That is why I think we should combine a strong fight against fraud with lower taxes, as in the United States. Thus we must freeze taxes and be serious about cleaning up spending.

"That will make itself felt faster than people think. Just compare your pay for January with that for December, the deductions had come down. Looking at it as an individual that seems to be modest beginning, but that fits perfectly into our 4-year program to stabilize the tax burden."

Enormously Ambitious

The talk now turns to more personal matters.

"My work as a lawyer... Was tremendously happy in it. But to be honest, except for some human and juridical aspects, there is not much difference between the bar and the cabinet. Fighting with words, that suits me.

"Relaxation? I go to a film from time to time. I mainly like Woody Allen, and also films with spectacle and drama, like Ran, thought that a magnificent film. But it is true that there is awfully little relaxation in our house at present.

"Read? Of course, a tremendous amount, but almost nothing but political literature, I read much too much about politics, especially about Liberal politics. You can hardly call that relaxation..."

Is that his great ambition, to be a minister of this kingdom? Or does he want something else again? How ambitious is this young minister?

"I am enormously ambitious," he says seriously, "but my ambition may amaze you, may seem a bit funny at first sight, but it is GENUINE, I mean it, my ambition is to balance the national budget. Really and truly. Naturally and fortunately, ambition also involves personal matters. But on that point I do not feel I am too demanding.

"What I am finding nowadays is that I always know people are looking at me, and so am always a bit restricted in my personal life. People recognize you and watch you, you attract more attention, and that gives rise to a number of restrictions. You have to accept them regardless. I am trying to find the best way to deal with that.

"A believer? No, I'm not a believer, at least not in the classic sense of the word. I believe in the meaning of life. Every person gives meaning to his own existence. For some that can mean a permanent, restless search, while others may perhaps make their bed within the framework of one of the classic patterns of faith--I think both are very possible and acceptable, and above all livable, meaningful."

Is Belgium bankrupt now? I ask the minister.

"Oh no," he laughs, full of confidence. "You know that the National Bank owns a number of valuables as security for our paper money, including Belgian francs, foreign currencies, gold reserves, drawing rights at the IMF, that kind of thing.

"If Belgium were a private company, then today we would be bankrupt, completely bankrupt. But at present we are still credit-worthy, and that of course is an important note to draw on the future. Because that means that we still have reasons AND the means to fight the crisis.

"But today things are different. Today we are in the middle of the crisis of too much government, a government that has taken over so much of the private sphere and has incurred so many debts that it has disrupted all the mechanisms of society. That is no slogan from Liberal doctrine, those are the facts."

Speaking of reserves, Mr. Minister, those gold reserves, I would like to see them. Where are they kept?

"Where? Uh... to be honest, I wouldn't know. In Switzerland, maybe, or in the United States? I will look into that for you. Indeed, to be honest, I would also like to see our gold once, that seems like an interesting idea to me. I will look into that."

The youngest minister bears the heaviest burden: a government debt of 5000 billion, which has grown by 500 billion a year in recent years.

12593
CSO: 3614/70

BERLIN INDUSTRIES REPORT RECORD INVESTMENTS IN 1985

Economic Boom Spurs Investments

Duesseldorf HANDELSBLATT in German 4 Mar 86 p 15

[Article: "Investment Boom of Berlin Industry"]

[Text] Berliner Industriebank AG (BIB), which specializes in investment financing, reports a new investment boom in Berlin industry during the past year.

No outside factors played a part in this development as they did in the last record year of 1983, when the amended Berlin promotion law and the expiration of the time limit on investment allowances under the employment promotion law had led to advance effects. BIB board member Dr Bruno Schroeder stated in a talk with the press that the new application boom was due totally to the dynamism of the upswing and the structure of Berlin industry.

The application development also reflects the fact that during the reporting year, enterprises of all sizes and diverse sectors had made investment decisions. This indicates that in many cases, existing or anticipated capacity shortages had triggered the action.

Last year, BIB received 725 (645) loan applications in the amount of DM 103 (853) million, based on a total investment volume of DM 1.885 (1.472) billion. In 1983, loans applied for amounted to DM 1.099 billion on investments of DM 1.854 billion. The investment proposals submitted by industry amounted to DM 1.419 (1.070 after 1.580) billion, those of other economic sectors--trade, business and services--were for DM 466 (402 after 274) million. In contrast to 1983, financing of new business establishments played a comparatively minor role last year.

A shift in time was observed in loan approvals and disbursements. In 1985, approvals were in the amount of DM 925 (1055 after 912) million, disbursements were DM 916 (1017 after 810) million. Leading borrower among the large industry sectors was the processing industry, which received DM 659 (723) million, or over 70 percent of all approved loans. Among capital goods industries, electronics industries received steeply higher promises in the amount of DM 240 (175 after 261) million, while the automotive industry registered a drop to DM 18 (129 after 86) million, and the engineering industry a decline to DM 42 (54 after 82) million. Consumer goods industries were assured of DM 145 (199 after 192) million, and the foodstuffs and semi-luxury foods industry were promised DM 72 (29 after 53) million. Of a total of over 5,000 additional jobs created by Berlin industry on the average during 1985, about 4,800 were in capital goods industries, almost 3,500 of them in the electronics industry.

For refinancing, DM 583 (616) million of European Recovery Programme (ERP) funds were used, as well as DM 294 (394) million of Berlin loans, and DM 48 (45) million from other funds. Total assets of BIB rose by about DM 300 million to DM 5.2 billion. The earnings position, in addition to paying a 6 percent dividend, permits providing cover for all recognizable risks and allocating proper reserves.

Within the framework of the ERP program for financing new business establishments, 241 (212) approvals in the total amount of DM 28 (21) million were granted. From the innovation fund of Land Berlin, administered by BIB, 11 (16) financings of over DM 6 million were made. The VC-Gesellschaft fuer Innovation GmbH Berlin, in which BIB, Industriekreditbank-Deutsche Industriebank AG (IKB) and Deutsche Bank Berlin AG participate, meanwhile holds six participations. Its capital is soon to be doubled to DM 20 million in order to put the company on a more solid footing and provide a greater spread of risks. Furthermore, personnel strengthening is planned for VC-Gesellschaft.

Electronics Creates 3,000 Jobs

West Berlin DER TAGESSPIEGEL in German 6 Feb 86 p 20

Article by Tsp.: "Berlin Electronics Industry Has 3,000 New Jobs"

Text The Berlin electronics industry had a good year in 1985. As stated by the chairman of the Association of Berlin Electronics Industry e.V. (VBEI), Berlin, Peter Schweizer, on the occasion of a general membership meeting in Berlin on Wednesday, on the basis of preliminary figures production of Berlin's largest industrial sector has probably risen by about 12 percent to DM 9.2 billion (1984: DM 8.2 billion). Investments reached a new record high with DM 600 million.

The employment situation showed a particularly favorable development. On an annual average, the Berlin electronics industry had 56,000 employees. This means that 3,000 new jobs were created in 1985. They are probably secure for the foreseeable future. The backlog of orders in this industry is good for 8 months, and the latest assessment of the future development of incoming orders was also optimistic. So VBEI expects a continued positive situation in this branch of industry in the current year. In addition, capacity utilization of 88 percent is close to full capacity use.

There is cause for criticism, however. Willingness to carry out constant further training must be increased in Berlin. In this regard, one supports the qualification offensive of the Senate. The change in the Berlin promotion, which came into force on 1 January 1985, has had a positive effect meanwhile. Electronics enterprises in Berlin are increasingly investing with a view to raising the net product. But Schweizer advocated that industrial promotion in Berlin also nurture continued industrial existence. A second fair for subcontractors in autumn is an attempt to help close still existing gaps in the ancillary structure in Berlin.

The upturn in Berlin's electronics industry is part and parcel of the FRG boom. On the basis of computer projections, total sales by the electronics industry of the FRG in 1985 rose by 14.4 percent to DM 152.3 (133.1) billion. The number of employees rose by 49,000 to 970,000 persons on an annual average. Investments increased by 15 to 20 percent and reached a record level. In view of more stable conditions in the domestic capital goods business, the export share of DM 67.2 (59.1) billion dropped to 44.1 (44.4) percent.

9917
CSO: 3620/598

GREECE

ECONOMIC

BALANCE OF PAYMENTS, DEBT SERVICE ANALYSIS

Athens I KATHIMERINI in Greek 11 Feb 86 p 7

[Article by N. Nikolaou]

> [Text] The government may achieve its bold goal to limit the deficit of the current balance of payments to 1,700 million dollars this year compared to 3,200 million in 1985, but even then foreign borrowing will not be curtailed considerably and it will start increasing again in 1987. In order for foreign debt to remain at the level which existed at the end of 1985, or at about 15 billion dollars, borrowing during the next few years should not exceed the cost of servicing old debts. In other words, we should borrow only the amount we need in order to pay our debts. This means that in the near future we must eliminate any borrowing for developmental needs and our imports should be squeezed to as low a level as possible while increasing our exports at the same time.

These difficult days were evidently brought about by the thoughtless recourse to foreign borrowing by PASOK in order to finance a populist policy of redistributing a non-existent income.

These assessments on the balance of payments are based on a new form of analysis of the magnitudes by the appropriate services with the presumption, of course, that the government goal to limit the deficit will be achieved through the curtailment of imports, increase of exports and the decrease in oil prices.

Specifically, the usual arrangement of the balance of payment magnitudes (as given by the Bank of Greece) does not help in assessing critical data such as the cost for servicing foreign debt (interest and amortization), the total deficit, and the needs for balancing foreign borrowing. For this reason the appropriate authorities are proposing another arrangement as shown in the table below and which, compared to the usual arrangement, shows various differences.

Balance of Payments
(In million dollars)

Balances of:	1984	(a) 1985	(b) 1986	(b) 1987
1. Trade (less fuels)	-3,163	-3,800	-3,000	-3,000
Exports	3,501	3,400	3,600	3,800
Imports	6,665	7,200	6,600	6,800
2. Fuels	-2,187	-2,200	-1,900	-1,900
Exports	893	950	900	900
Imports	3,080	3,150	2,800	2,800
3. Invisible Accounts	3,576	3,400	3,200	3,000
Resources (except EEC)	4,574	4,400	4,200	4,000
Payments (less interest)	998	1,000	1,000	1,000
4. Current Accounts	-1,775	-2,600	-1,700	-1,900
Interest, total	-1,070	-1,150	-1,405	-1,465
Amortization, total	-786	-850	-995	-1,435
5. Deficit (for covering)	-3,631	-4,600	-4,100	-4,800
Private capital	1,058	950	900	900
EEC receipts	715	850	900	900
Foreign borrowing	2,204	2,700	2,300	3,000
Errors and omissions	-312	100	00	00
Result	34	0	0	0

(a) Assessments on the basis of January-November data
(b) Predictions

The differences shown in the table are as follows:

a) The trade balance splits into a trade balance excluding fuels and into a fuels balance (parts 1 and 2 of the table).

b) Foreign exchange receipts from EEC are transferred from invisible resources to the covering of the total deficit (part 5 of the table).

c) Payable interest is not included in the invisible payments and appears in the current accounts (part 4 of the table). The amortization total is transferred from capital movement (part 4 also).

d) Interest and amortization are added to the deficits of current accounts (as this deficit is shaped without receipts from EEC and without interest). As a result, we have the total deficit for coverage. Sources for covering the deficit are: the gross inflow of private capital, receipts from EEC and the gross borrowing for balancing.

This rearrangement provides the possibility of a more direct control of today's critical magnitudes and at the same time facilitates the predictions for both the total deficit for coverage and for the future needs in foreign borrowing.

Assumptions

The table reflects developments of 1984 and assessments for 1985 based on data from January to November. Furthermore, an effort is made for predictions for the years 1986 and 1987. These predictions are based on assumptions about possible developments in imports and exports of goods (merchandise and fuels) and services (invisible resources and payments) as well as on data and information converning the determination of the cost for serving the foreign debt in 1986 and 1987. Part 5 of the table shows the total deficit for coverage while part 5(c) reflects the assessment for the need in gross foreign borrowing.

Some of the assumptions made in drawing the table were the following:

a) A substantial decrease in imports excluding fuels was estimated (about 600 million dollars) for 1986 and a small increase (about 200 million dollars) for 1987 on the assumption that the system of down payments may be eliminated. Including fuels, the decrease in imports for 1986 was estimated at 500 million dollars. On the other hand no serious reasons exist for one to assume that there will be an impressive increase in exports. Only an increase of 200 million dollars is estimated.

It does not appear that the measures for strengthening competition can be very effective since the main factor which holds exports at a low level is the inability to increase the supply of high-demand goods. There exists productive capability but not in branches producing these goods.

b) In 1986 it is estimated that the deficit of the fuels balance will be limited to 1,900 million dollars and it will remain at the same level in 1987. In this case consideration is given to the trend toward an oil price decrease in the international market and to the possibility of some curtailment in the consumption of fuels due to the continuous revaluations of the drachma.

c) It is estimated that the surplus in the balance of invisible transactions will continue to decrease at a rate of 200 million dollars annually. This prediction indicates a continuation of the inability to control the flight of maritime and tourist foreign exchange and a further drop in remittances by emigrants.

d) These predictions lead to the conclusion that the current trade balance deficit (of 2,600 million dollars in 1985 as estimated in part 1 of the table) will be limited to 1,700 million dollars in 1986 with the prospect that it may reach 1,900 million dollars in 1987. Together with the increased expenditures during these years for serving foreign debt (total of interest and amortization), the total deficit for coverage is limited from 4,600 million dollars in 1985 to 4,100 million in 1986. But it again increases to 4,800 million dollars in 1987.

Finally, the assumption is made that the gross inflow of private capital, together with EEC receipts, are maintained at the 1985 level during the next 2 years (1986, 1987), that is, at 1,800 million dollars. This means that for coverage through foreign borrowing, the deficit will remain at the 2,300 million dollar level in 1986, and at 3,000 million dollars in 1987. About 30 percent of this needed amount has been obtained in two payments from EEC. The remaining 3,500 to 4,000 million dollars must be sought at the usual sources of borrowing.

Stagnant Exports

As a recapitulation, the appropriate authorities point out the following:

a) During the first year of implementation of the new economic policy, a substantial drop in imports is anticipated (by about 1 billion dollars), while a small increase of 200 million dollars is expected during the second year. However, one cannot exclude a much greater decrease in imports in the event the economy suffers a serious recession. On the other hand, one should not expect exports to mark an impressive rise, mainly because of the rigidity in the supply of high-demand products. In the case of invisible resources, however, the problem is mainly concentrated upon the inability to control the flight of foreign exchange. It is difficult to solve this problem.

b) It is estimated that in 1986 and 1987 the level of the necessary borrowing for balancing will be the same as the corresponding expenditures for serving foreign debt (total of interest and amortization). This means (and evidently this is the main goal of the new economic policy) that at the end of the 2-year period (1986-1987), the country's foreign debt will have been stabilized at the level it had reached at the end of 1985. The prospect that foreign debt may start decling should be expected in the next few years provided that foreign borrowing will not at any time be greater than the cost of serving the existing debt...In other words, the country should borrow only as much as it needs to serve foreign debt from previous borrowings.

c) Henceforth, the allowed increases in foreign exchange borrowing for imports will be strictly determined by the corresponding increases in the foreign exchange income from exports, invisible resources, inflow of private capital, and receipts from EEC. Only observance of this rule can ensure a gradual decrease of the country's foreign debt. On the other hand, however, this means the implementation of a contractive policy of a period greater than 2 years.

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CSO: 3521/93

BANK OF GREECE DATA ON BALANCE OF CURRENT ACCOUNTS

Athens I KATHIMERINI in Greek 27 Feb 86 p 9

[Text] The Bank of Greece announced yesterday the data concerning development of the 1985 balance of payments. According to these data:

--Imports increased by 8.2 percent and reached 10,541 million dollars compared to 9,745 million dollars in 1984

--Exports decreased by 2.4 percent and were limited to 4,290 million dollars compared to 4,394 million in 1984.

--Invisible resources reached 5,228 million compared to 5,289 million dollars --they decreased, that is, by 1.2 percent.

--Invisible payments reached 2,265 compared to 2,068 million dollars in 1984, or they increased by 9.5 percent.

--The deficit of the current accounts balance reached 3,228 million dollars compared to 2,130 million dollars in 1984, or it increased by 54.4 percent.

Finally, the foreign exchange reserves on 31 December 1985 were 1,029 million dollars compared to 1,103 million dollars on the same day in 1984.

Commenting on these data, National Economy Minister K. Simitis said that development of the 1985 balance was not satisfactory. However, he justified the need of the measures taken on 17 October 1985. He said also that data on the current accounts balance prove there was a problem which had to be solved and we must be careful as concerns the balance development.

With regard to the fact that imports did not slow down in December despite the drachma devaluation and the measures taken--on the contrary they increased by 14.5 percent and by 49.9 percent without fuels--Simitis said:

"We believe the measures will allow us to control the situation and the results will become evident in February and March. Therefore, the January data will be indicative of the balances' trends because it takes time for the measures to show results and because, after devaluation of the drachma, the enterprises, in estimating the dollar-drachma parity, gave large orders for goods.

"Also, the fact that in 1985 the dollar was devalued by 20 percent compared to other currencies, affected adversely these data because import payments in dollars for about the same volume of imports appear greater. To overcome this disadvantage we have suggested to the Bank of Greece to figure the balance on the basis of another currency as well and preferably on the European Accounting Unit."

In conclusion, Simitis pointed out that data on the current accounts balance does not raise the need for the government to re-examine its economic policy. In response to a question if the government intends to review its income policy as a result of reactions, he said: "The government insists on its policy because it believes it will lead, on a long-term basis, to the improvement of the income of the working people. For such an improvement a stable economy is necessary."

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CSO: 3521/93

CHEMICAL INDUSTRY IMPROVES 1985 TRADE BALANCE WITH USSR

Milan COME-COMMUNICAZIONE MONTEDISON in Italian Nov 85 p 16

[Article: "The Italian Chemical Industry's Contribution to Improving the Trade Balance with USSR"]

[Text] "In the first 6 months of 1985, the Italian-USSR payments balance showed an encouraging improvement, owing principally to a reduction of Italian imports, although much yet remains to be done to achieve a real equilibrium. The bilateral trade balance, which in the period of January through June 1984 showed an Italian deficit of 1,850 billion lire, has registered a reduction in the negative balance to 1,042 billion lire in the first half of the current year. The mixed Italian-Soviet work group on the chemical, petrochemical and pharmaceutical industry has, by its initiativs, certainly contributed to the payments-balance progress."

Thus spoke in Moscow, Giorgio Porta, Montedison managing direction and government-appointed Italian Co-chairman of the Italian-USSR mixed committee on chemicals, talking in the Soviet chemicals ministry hall before numerous authorities. Among those present were the Soviet Co-chairman of the mixed work group, the chemical industry vice minister, Smirnov, the deputy ministers for the petrochemical and medical industries, Avdeyenko and Severtsev, and various representatives of the foreign trade, fertilizer and pharmaceuticals ministries.

Porta came to Moscow at the head of a group of delegates from some 50 Italian firms--big, medium and small (twice those present in Moscow at the last session)--which already have relations with the USSR or intend to establish them, and are utilizing the mixed working group to promote their activities in the Soviet Union and overcome bottlenecks and difficulties. The Italian delegation chief handled all the problems on the committee's agenda with Smirnov in the course of the scheduled meetings, and even signed an agreement which pushes, with concrete solutions, many projects which till now had been in abeyance. Nevertheless, he wanted to take the opportunity offered him of speaking before important representatives of the Soviet government and chemical industry to point out in this setting the possible lines of collaboration between the two sides. Porta summed up his message in three points. 1) It is necessary to follow changes in the macroeconomic framework, noting that three variables are influencing it: technological innovation, internationalization, and diversification; 2) Italian-Soviet collaboration is a strategic choice in which the effects of the three cited variables must be carefully studied; 3) Chemicals are a leading sector in the USSR as in Italy, and can make an essential contribution to rebalancing exchange between the two sides. The Montedison managing director ended his appearance, finally, by urging closer collaboration between Italy and the USSR in the interests of both economies involved, and insisting on the necessity to re-stablize the trade balance, something which is achievable by assigning significant contracts to Italian industry.

13070/13104
CSO: 3528/81

BRIEFS

THIRD LOWEST FERTILITY RATE--Rome--Italian women, along with the Swiss and Germans, are the world's least fertile: their fertility rate is estimated at 47.7, that of the Germans at 40.8, of the Swiss at 46.0, of the Dutch at 49.4, of the English at 54.6, of the French at 62.0. The highest rate in Europe is Poland, 74.6. United States women record 61.7, the Australians 61, 1 and at the top the Israelis with a rate of 100. The age of greatest fertility for the Italians is from 25 to 29, a statistic common to all women of the European Community. Italian women from 30 to 34 are more fertile than those from 20 to 24, and those from 35 to 39 than those under 20. Italy, with Bulgaria and Poland, boasts the European lead in fertility for women from 40 to 44, and the unchallenged lead within the European Community in fertility for women from 45 to 49. One baby in every 200 born in Italy is had by women over 45. The overall world lead in this field goes to the Portuguese women: 4 out of every 200 babies. All these figures are derived from the 1985 Italian statistical yearbook put out by ISTAT [Central Statistics Institute]. According to this publication it is the Dutch women who have the fewest children before 20, while the English have the most. The Italian women come in with a rate of 20.6 as against 9 for the Dutch and 31 for the English. Among non-European countries, the United States has a very high rate, 54.6, which means that American girls below 20 are having babies very early. World-wide, it is the Japanese women who are least fertile under age 20. The Japanese women's fertility rate is very high, on the other hand, from 25 to 29. After 39, it is nil. [Text] [Rome LA REPUBBLICA in Italian 18 Jan 86 p 16] 13070/13104

CSO: 3528/81

FINANCE MINISTER OUTLINES IMPACT OF BUDGET

PM141251 Lisbon EXPRESSO in Portuguese 1 Mar 86 REVISTA section pp 16-19

[Interview with Portuguese Finance Minister Miguel Cadilhe by Jorge Wemans in Lisbon; date not given]

[Excerpt] EXPRESSO: Parliamentary proceedings in March will be marked by the debate on the 1986 State Budget. The government to which you belong is a minority government. What consequences does this have with regard to how the government will present its draft budget to the Assembly of the Republic?

Miguel Cadilhe: The draft budget now coming before the Assembly of the Republic was drawn up independently of the fact that the government lacks a parliamentary majority. We believe it is a good draft budget. We hope that the Assembly will think so too and that it will therefore approve the 1986 State Budget as quickly as possible.

For legal reasons the budget will not come into effect until the 1st of the month following its approval. If parliament completes its discussion by April the budget will not come into effect until 1 May. It is not enough to adopt a good measure: It must be adopted in good time.

EXPRESSO: Be that as it may, the law is clear: It is up to the Assembly to define the budget and up to the government to implement it. What key points must remain in order for the executive to identify with the budget adopted by the Assembly?

Miguel Cadilhe: We regard the deficit ceiling as sacrosanct: We cannot exceed the 470 million contos laid down in the draft budget. Another fundamental point concerns the zero growth--in real terms and excluding interest on the public debt--of current expenditure. Another touchstone is the public figure set by the government, which we consider essential to the controlled progress of the Portuguese economy.

Taxes Could Fall in 1986

EXPRESSO: Looking at the revenue side of the budget, does it not seem to you that the government has failed to meet the expectations which it generated with regard to the lowering of tax pressure?

Miguel Cadilhe: I do not know.... The government has gone as far as it can in this regard. The most significant example is income tax: If we went any further we would have problems both with an increase in the budget deficit and in an excessively rapid increase in families' disposal income. As you know, private consumption will in any case increase significantly in 1986. If we were to cut income tax even more we might cause consumption to rocket, which would have an appreciable impact on the deficit of the balance of trade on current account and on the inflation level...

EXPRESSO: But despite everything the proportion of tax revenue as a percentage of GDP has increased from 1985 to 1986....

Miguel Cadilhe: It is the government's intention to gradually lower taxes. If we did everything at once there would be an incalculable negative impact on inflation, the budget deficit, private consumption, and the foreign debt. If everything goes as we envisage, in macroeconomic terms, we will be able to propose a further tax reduction some time in 1986. And we have no doubt that in the coming years we will continue to lower tax pressure.

EXPRESSO: Still on the subject of tax revenue: Some observers stress that a certain degree of optimism with regard to revenue has continued into 1986--an optimism from which the two previous budgets suffered....

Miguel Cadilhe: Are you implying that there might be some kind of deliberate error designed to conceal the real deficit?

EXPRESSO: Not so much that... There is, rather, a certain "generosity" in the estimated tax revenue.

Miguel Cadilhe: We have tried to be as rational as possible in our revenue forecasts. It is true that this year some major structural changes--such as the introduction of value added tax, alongside the lowering of certain other taxes--are being introduced, but we consider the indicated level of growth for tax revenue entirely feasible. In any case we would consider ourselves to have failed with 1986 budget if at the year's end there were major discrepancies with what we have proposed, both on the revenue side and on the expenditure side. Discrepancies for the worse.. because if its implementation proceeds better than expected we do not believe there is any cause for criticism.

EXPRESSO: Would a 10 percent deviation upward in the budgetary deficit be serious?

Miguel Cadilhe: Without the hoped-for changes in economic conditions, a 10 percent deviation for the worse seems to me excessive.

"Sell Gold...?"

EXPRESSO: With regard to current expenditure the government can be said to be hesitant, despite its importance: It is neither launching any program to scale down the civil service nor attacking the public deficit problem.

Miguel Cadilhe: We cannot do anything about interest on the deficit: It is an inevitable expenditure!

EXPRESSO: It would be possible to introduce a measure to pay off the public deficit by selling gold....

Miguel Cadilhe: The existing deficit at 31 December 1985, our ability to repay part of it early could have an impact on interest payable this year.

Be that as it may, the partial reduction of the existing debt through recourse to accumulated wealth is a delicate operation with very major political implications, nor does the overall economic situation justify introducing such a measure. Nor would I say that it is viable at the moment.

But apart from that....

EXPRESSO: ...Does this government not envisage selling some of the gold to pay off the debt? Over 10 years after 25 April, now that EEC entry and the presidential elections have made it clear that we are completing a cycle in our political and economic life, are we not reaching the moment to pay off part of the accumulated debt in order to live with a burden more appropriate to our size and thus to release financial resources for other purposes? Is this possibility not part of the government's rationale?

Miguel Cadilhe: The government will be considering such a possibility and others. But later. I cannot tell you that we have not thought about it. However, with regard to how to do it and the scope of the operation... all this must be examined. Apart from which, many people would consider it a historic mistake to touch our gold reserves.

As for cutting back the civil service, I must tell you that it would be a desirable policy if the entire economy were growing and there were full employment, thus guaranteeing jobs for those leaving their positions in the administrative sector. Since this is not the case, such a possibility does not make sense. We prefer two other approaches. The first is the mobilization and reallocation of civil service personnel. Some branches lack staff, while others have too many. We are computerizing this data and the system will be functioning by the end of the first half-year. The second approach is voluntary early retirement. Section seven of the Budget Bill explains the situations in which public employees can retire before the normal legal age on a full or almost full pension.

Priority to Investment....

EXPRESSO: Although the budget is not very ambitious with regard to current expenditure, the bill aims at major growth in investments. According to the scenario laid down by the Major Plan Options, public investment will increase more than private investment: Is this the government's intention?

Miguel Cadilhe: There are three reasons for the major increase in public investment. I would remind you that the starting point was set low by a very stringent policy of stabilization and that therefore any investment effort shows a very major level of growth.

Second, in 1986 we want to start a phase of controlled growth, and budgetary expenditure must be used to impart a new boost to the economy, to cut enterprises' unit production costs. The Portuguese state must build the necessary basic infrastructures and public services to create the so-called external economies--the precondition for a full role by productive enterprises and sectors in the Portuguese economy. To ask a firm to base itself in Tras-os-Montes without lines of communication (roads, telephone and telex lines, and so forth) is unrealistic.

Last, we must take advantage of the financial funds which the EEC makes available to us, which entails a very major public investment effort.

EXPRESSO: A final question about the budget: Do you believe, like the Reagan administration, that it is important for the government to submit to the Assembly a scheme for the planned reduction of the budget deficit?

Miguel Cadilhe: Yes, we intend to do so. Just now we have under consideration the draft of a medium-term program for the reduction of the relative weight of the budget deficit. This year we have already reduced the deficit as a percentage of GDP. We have not reduced it as much as we would like, but we are tied down by the need to reflate the economy in a balanced manner. In 1987, 1988, and the following years we want the budget deficit to fall to 3-4 percent of GDP.

...And Respect for the Market

EXPRESSO: Although it did not succeed in reducing the budget deficit, the last government was, however, able to make the economy grow by 3 percent in 1985, with no external deficit. Has the adjustment of the Portuguese economy already been accomplished?

Miguel Cadilhe: In 1985 GDP must have grown by just 2.5 percent, and not 3 percent, as you state. In any event the adjustment has to do with deep-seated causes in the economy; what must be changed cannot be changed through a policy of stabilization. What is necessary is a medium-term structural policy with short-term policies geared to that medium-term view.

EXPRESSO: What, in your opinion, is favorable medium-term trend?

Miguel Cadilhe: A major investment effort is what I deem to be a favorable trend: Investment directed toward the production sectors, guided by the market, and with two additional guidelines--on the one hand, to increase exports and on the other to replace imports, but without protectionism, through international competition and competitiveness.

If you ask me whether this is to be imposed through a plan, I will reply that it is not.

EXPRESSO: Is any investment good, provided that it creates the resources to pay for itself?

Miguel Cadilhe: It is the market which should indicate specifically which are the good and bad investments. The government draws attention to the two guidelines which I mentioned, but it does not seek to replace businessmen in determining which are the good and bad transactions.

What is essential is that businessmen have some indications as to what suits the country and as to the orientation of macroeconomic policy. The government must seek to reduce uncertainties and cease to be--as has frequently happened --a magnifier of uncertainties for businessmen.

EXPRESSO: The Portuguese economy's future depends mainly on businessmen: Is this what you are saying?

Miguel Cadilhe: In any country, the number of people who have a "nose" for business is always very limited. It is not civil service bureaucrats or members of the government, ensconced in their offices, who know how to decide about which specific investments represent good transactions.

"Mario Soares Does Not Alarm Businessmen"

EXPRESSO: Among the economic aims for this year, to which will you pay most constant attention?

Miguel Cadilhe: To the implementation, without slippage, of the budget, and to the encouragement of investment.

EXPRESSO: The Social Democratic Party candidate for the Belem Palace has just lost the presidential election. Does Mario Soares' election serve to complicate the economic scenario envisaged by the government for this year?

Miguel Cadilhe: The government truly hopes not. But this is--and will be for the first few weeks--under observation. The next 2 months will be decisive. We do not know whether the atmosphere of confidence among the economic agents has been shaken in any way by that event. As I told you, our greatest concern is investment, and this is a variable which is very sensitive to an event of this kind.

EXPRESSO: Does Mario Soares alarm many people in business circles?

Miguel Cadilhe: (Silence)... I do not believe so. I do not believe that Dr Mario Soares alarms any businessman worthy of that name. I am convinced that, as President of the Republic, he will ensure an atmosphere of confidence among the economic agents which will provide a good rate of investment.

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CSO: 3542/73

ENERGY GREECE

BENEFITS TO BE DERIVED FROM DROP IN OIL PRICES

Athens I KATHIMERINI in Greek 22 Feb 86 p 7

/Text/ Our economy (state and private) will derive more than 500 million dollars in foreign exchange benefits as a result of the drop in oil prices provided they remain stabilized at a level of less than 20 dollars per barrel (16-18 dollars).

Industry and Energy Minister A. Veryvakis said these developments also create conditions for for consumer benefits without excluding--as he indirectly indicated--a readjustment at lower levels of the prices of oil products. He also stated that during the instability period of oil prices--at the end of 1985 and more intensively in January 1986--the government oriented its energy policy as follows:

--It adapted the "readjustment clause" in the market through bi-statal agreements and pursued more intensively the free market.

--It reduced the refinement of crude oil and increased the purchase of more oil products in the free market.

--It restrained stockpiling of such products.

--It made efforts to renegotiate the bi-statal agreements based on the readjustment clause for the purchase of crude oil.

In the last 2 months, the foreign exchange benefit from the purchase of oil products (to which the benefit derived from the January-February 1986 purchase of oil products was added) reached 85 million dollars compared to the corresponding period of the previous year. During this same period outlays in foreign exchange reached 270 million. This amount would have been 355 million dollars had the purchase been made at prices of the 1985 corresponding period.

Veryvakis pointed out that this favorable development does not affect the program of large investment projects--lignite and hydroelectric--in the area of energy because since 1983 these projects have aimed at replacing or minimizing the use of oil for the production of electricity. He also added that the favorable but unstable situation in the international oil market cannot affect the strategic long-range energy target. In order for the oil-using power stations to be competitive with the lignite-using or other stations, there should be stabilization of oil prices as well as the prospect of their being maintained at levels even lower than 10 dollars per barrel.

Table I

Purchases of Crude Oil and Products
(1 January 1985-31 December 1985)

	Metric Tons (thousands)	U.S. Dollars (thousands)	Average Price (CIF O/T)
1. CRUDE OIL			
A. With bi-statal or other agreements (USSR, Saudi Arabia, Libya, Iraq, Algeria, Egypt, Prinos, etc.):	6,491	1,340,475	$27.89/barrel
B. From the free market:	1,206	238,438	26.90/barrel
C. Total:	7,697	1,578,913	$27.73/barrel
2. PRODUCTS	2,134	538,151	$252/MT
3. EXPORTS	-1,267	-252,000	$199/MT
TOTAL OUTLAYS		1,865,064	

TABLE II

Purchases of Crude Oil and Products
(1 January 1986-20 February 1986)

1. CRUDE OIL

A. With bi-statal and other agreements (USSR, Libya, Algeria, Egypt, Prinos, etc.):

Metric Tons (thousands)	U.S. Dollars (thousands)	Average Price (CIF O/T)
817	133,305	$22.00/barrel
B. From the free market:		
654	82,745	17.30/barrel
2. PRODUCTS		
481	93,000	#193/MT
TOTAL OUTLAYS	309.050	

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CSO: 3521/94

BRIEFS

ENERGY PRODUCTION RISE--The 1985 production of electric energy from the country's power stations increased by 11.6 percent compared to 1984 while, on the contrary, imports of electrical energy decreased drastically by 71.1 percent and now represent only 3.6 percent of the demand, according to a statement by Industry and Energy Minister Elevth. Veryvakis who today made public the 1985 data of the electrical production by the country's interconnected power system. According to these data, the demand for energy in 1985 increased by 2.8 percent compared to 1984 and reached 24,654 million kilowatt hours. Specifically, the production of the lignite-using stations increased by 16.8 percent and is now meeting 65.5 percent of the demand compared to 57.7 percent in 1984. The production of the hydroelectric stations showed a small decrease by 1.9 percent which is due to the low water capacity for the third consecutive year. The production of the oil-using stations marked a small increase by 4.4 percent. /Text/ /Athens I KATHIMERINI in Greek 15 Feb 86 p 7/ 7520

CSO: 3521/94

NATURAL GAS FIELD AMELAND IN PRODUCTION

Rotterdam NRC HANDELSBLAD in Dutch 11 Jan 86 p 3

[Article by Marien Abrahamse: "25-Year Supply: Ameland Gas Field in Production"]

[Text] Ballum, 11 Jan--The Dutch Oil Company (NAM) began production yesterday at the Ameland gas field. The gas field now in production has an estimated capacity of 50 billion cubic meters of natural gas and is expected to remain in operation for 25 years.

Among the "small" fields found in the Netherlands, the Ameland gas field is the largest. Its exploitation has been under continual discussion since it was discovered in 1971. The environmental movement, including the National Association for the Preservation of the Waddenzee, has always strongly opposed the exploitation of the gas field. Under pressure from their campaigns, special steps had to be taken before exploitation could be initiated. Thus, the drill holes on the island are subject to special environmental stipulations: the installations were built at a low level and done in a sand color. In addition, the location is surrounded by a series of dunes that blend in with the natural setting, in order to prevent as much disruption of the horizon as possible.

The exploitation of the gas field is taking place at two central places of production. One is on the island itself and the other is at a location two kilometers off shore. There is also the production platform where unwanted elements are removed from the gas. This year, five production pits will be dug at each production site, which will mean a total daily production of 10 million cubic meters of natural gas.

Last fall, the exploitation of the gas field again became a matter of discussion when NAM announced that groundsinking through the extraction of the gas would be greater than had been initially foreseen. A study was commissioned into the exact effects by the Watercourse Science Laboratory. This study, for which a special supervisory commission was set up, included not only an examination of the effects on the water economy, for example, on Ameland. The study also looked into the effects on the surrounding Wadden area.

At any rate, the Gas Union will simply continue on, regardless of the findings of the study. The companies that are exploiting the field, NAM (40 percent), Mobil Netherlands Producing Inc. (20 percent) and DSM Natural Gas BV (40 percent) are quite prepared to provide financial compensation for possible damage.

Involved in the development of the Ameland gas field is a total investment, including environmental measures, of approximately 1 billion guilders. The project is providing several dozen permanent jobs on Ameland.

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CSO: 3614/53

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West Europe Report

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EC, AFRICAN STATES DEMAND CHANGE IN SOUTH AFRICAN POLICIES

Munich SUEDDEUTSCHE ZEITUNG in German 6 Feb 86 p 8

[Unattributed Article: "'Border Countries' and the European Community are in Agreement. For a Common Approach against South Africa/Intervention in Namibia Condemned"]

[Text] At the close of a two-day conference in Lusaka, the EC Commission and the so-called African Border States have agreed upon a common approach against South Africa. The twelve participating states called on South Africa to unconditionally lift apartheid and to begin talks with the leaders of the black freedom movement.

In a final joint communique, the conference participants underlined the significance of sustained international pressure on the South African government. The foreign ministers of the states bordering on South Africa - Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe - and the foreign ministers or their representatives from the twelve EC states all took part in the conference. The 18 countries presented a five-point plan in a communique which covered the following demands in detail: lifting the state of emergency in South Africa, recognition of outlawed political parties - such as the African National Congress and the Pan-African Congress -, the release of Nelson Mandela, the release of all political prisoners and the beginning of talks between the South African government and all the political leaders, including the arrested blacks of the country.

In addition, the conference participants condemned South Africa's intervention in Namibia (Southwest Africa). They rejected South Africa's offer to pull its troops out and to give the land independence, since South Africa made that dependent upon withdrawal of Cuban troops out of Angola. The international pressure on South Africa is supposed to promote the beginning of talks with the black leaders, said the Netherlands Foreign Minister and EC President Hans van den Broek. Such a pressure should, however, allow the South Africans the possibility of determining their own future.

The British Foreign Minister defended the beginning of the first official contacts between the British government and the ANC. The talks took place on Monday (3 Feb 86) outside the meeting in Lusaka between the EC and the countries in the southern Africa area. The deputy state secretary in the

British Foreign Ministry, John Johnson, met with four representatives of the ANC.

According to reports by the British Foreign Minister, Johnson stated the British opposition to the use of force in South Africa. In addition, it stated that Great Britain asked the ANC for support for a Commonwealth initiative for the elimination of apartheid.

13071
CSO 3620/592

GROWING GREEK INDIFFERENCE TO NATIONAL ISSUE LAMENTED

Nicosia I SIMERINI in Greek 20 Feb 86 p 1

[Excerpts] Beyond the repeated statements of "an identity of views" and "unanimity" (which are belied, however, by dry realities), there is an all-consuming cancer which we are unsuccessfully attempting to set aside. It is the rift between the two sides of Hellenism. Once upon a time, the differences were limited to the relations between leaders and governments. Hypocrisy in the relations between Greece and Cyprus is a repugnant story that has been going on for decades and that would require several volumes to be described, even in an elementary way... We Cypriots are regrettably familiar with the explosive high points and the abysmal lows of Greece-Cyprus relations.

However, something different is happening right now, something accursed: argumentation and doubt have been transferred to the level of the people and public opinion. Let us not try to hide realities and to deceive ourselves. Greeks and Greek Cypriots are like opponents in a bullfight. Where can one begin and where can one end? Is it not symptomatic that Greeks in Cyprus have founded a union to protect their interests and push their demands? And is it not revealing that the view increasingly heard in Greece is "enough, we cannot stand the Cypriots any longer," or "Cypriots, you have already cost Greece a lot"?

Let us be more specific... Only recently K. Tsatsos, former president of the Greek Republic, stated to the Athens newspaper MESIMVRINI: "Who refers to Cyprus and who is interested in Cyprus any longer? Words and statements are only hypocrisy." Again, well-known newsman and former PASOK member Giorgis Massavetas wrote sadly in the ELEVTHEROTIPIA newspaper that the Cyprus issue has become anti-commercial in the Athens press and that the moment a newspaper mentions it, it sees its circulation drop! This is, then, the situation: openly, Cyprus will be the victim of certain Greek initiatives and the island's martyrdom will be knelt to by the national soul, tears will fill the eyes, hands will tremble when wreaths are laid. And secretly, in the behind-the-scene politics and in the Athens salons, Cyprus will be considered the exploiter! And the Cypriots will be seen as the irksome exploiters, the pariahs and those excluded from the national ambient!

But here, to our last breath, we shall proclaim the vital need to destroy the cancer of the many-sided and "multi-dimensional" division, both in Greece and in Cyprus. The highest national goals demand everyone's dedication....

/7358
CSO: 3521/105

PRIVATE KOBLENZ BUSINESS COLLEGE SELECTS, TRAINS RIGOROUSLY

Munich SUEDDEUTSCHE ZEITUNG in German 11 Feb 86 p 19

[Article by Klaus Gertoberens: "Practitioners with the Marshall's Baton in the Schoolbag. The Koblenz Private University for Business Administration Relies on Business-related Training."]

[Text] For the approximately three million students which will leave the 190 German colleges and universities by the year 2000, approximately 1.7 million of the traditional work places are missing, according to the calculations of the German Employers Society. Already, today in the USA not even half of the newly graduated academicians find the work for which they were trained. In the tough competitive battle of the white-collar workers, the first private business school (in the FRG), which is located in Koblenz, believes it provides its graduates with the better professional ability along the way. "The University for Business through Business" (advertisement) does not just teach from the lecture hall about the ties between theory and practice.

"No pass without money, and no money without a pass" - the president of the Koblenz Chamber of Industry and Commerce, Hanno Ludwig, feels reminded of this Catch-22 when he speaks about the distressing problem of finances at the Private University for Business Administration of Koblenz. He is embittered because the big businesses and business societies apparently want to wait and see how the experiment of a private university, which began in 1984, will work out. The previously established endowment of DM 6 million was donated mostly by smaller- and medium-sized companies from the Koblenz area. In order to meet the annual operating expenses of DM 2.5 million with interest earned from the endowment, as originally planned, DM 17 million must be added to the account.

High Karat Faculty

"Where science becomes practice" is the slogan under which 80 students are being trained in eight semesters to become degreed businessmen. In order to justify this claim, the young team of professors has developed a pioneer spirit which is rooted with a (necessary) trace of fanaticism. The 34 year old president Wolfgang Koenig and his predecessor, the marketing professor Soenke Albers (37) should be followed by three more colleagues as soon as possible. 35 high karat assistant professors stand at the side of this team, and much value is placed on their "practical qualification." There is special pride in the "quality density," which is already symbolized by the founding school board. Their names read like a compendium of the science of business administration: Albach, Fels, Gaugler, Mertens, Rose and Wildemann. According to university president Koenig, there is confidence that the quality of the scholarly personnel is a guarantee for success.

The private school wants to remain small but exclusive. In the building stage, a maximum of 360 students should be selected for "performance-oriented leadership personalities with elite pretensions," as it states in the founding brochure. In addition, they are given a difficult tour of duty: the teaching facilities resemble much more a Prussian cadet school rather than a republican university. Keywords: mandatory attendance, school hour-plans, constant performance evaluation, "guaranteed" weekly load of 60 hours, and finally one month of vacation per year.

Therefore, peak motivation power is necessary and demanded. It is already provided by a rigid selection process for the student applicants. High school final exam (Abitur) grades above 3.0 are required, as are business courses or at least three months of practical business experience. In addition, there are written tests in English and French, which go way beyond the common school usage. Along with their academic ability, the youths are supposed to prove that they are in position to apply their intellectual abilities in business. The task of filtering out these qualifications has been given to the Institute for Test- and Aptitude Research of the Study Foundation of the German People. Group discussions, individual interviews and 15 minute talks are evaluated by external specialists.

DM 5000 per Semester

He who clears these hurdles with bravado must, in addition, be prepared to to hand over DM 5000 tuition per semester. That does, however, allow 20 percent of the places for applicants who do not have sufficient financial means available. The fact that a business administration school of the American mold charges tuition is vigorously defended and used as a "model" in beginning discussion. It is mentioned that education is not a "free" commodity. It is not understood why the population in general should finance the universities, when their work only benefits a select few.

The logical conclusion to this consideration: the expenses for a degree should come from the private sector and should tax the ones who benefit from it, which are of course the students and private business. "A certain consideration," so it says in an information leaflet, "for the individual obligation to provide for one's own future could at the same time contribute to financial relief for the State and thereby send an unmistakeable political signal."

In return for this ordeal, an "integrated foreign study course" is offered. Two semesters at the University of Buckingham and the Ecole Superieure de Commerce des Lyon are worked into the total course of study. Flexibility and openness, requirements for international-oriented businessmen, should fall on fertile ground. Also, increasing sensitiveness for differences increases adaptability. The graduates should be able to negotiate in three languages. Aversion to foreign stays should be taken away from them. In addition, the future proprietors of business are already being prepared for business practice during their schooling. In each school year, this experience must be entrenched through an obligatory three months of practical work.

Student Positions Donated

Such an elite training still cannot be a free ticket to a management position. Nevertheless, the demands of the Koblenz concept do come from business. For that reason, it is a wonder that more financially sound firms do not acknowledge this practice-oriented alternative to the national university operation. The acute financial needs are only now being alleviated by a new "money acquisition model": since last Summer, 24 student positions have been "donated." Firms have pledged DM 30,000 annually for each position. The school managers are practicing university marketing as survival training.

13071
CSO 3620/578

FOREIGN MINISTRY OFFICIAL: POLICY LINE ON HUMAN RIGHTS STABLE

Helsinki HELSINGIN SANOMAT in Finnish 5 Mar 86 p 6

[News article: "Tornudd: the Basic Essence of the Human Rights Line Have Not Changed. Jakobson Backs Moderation in the Name of Credibility"]

[Text] Political Assistant State Secretary Klaus Tornudd of the Foreign Ministry denied that Finland's official foreign policy line had changed in relation to human rights.

In the discussion held Tuesday evening at the Paasikivi Society Tornudd admitted that it is easy to charge the foreign policy leadership with failing to take a position on human rights.

The former general manager of the Elinkeinoelama board, Max Jakobson, who delivered a prepared response to Tornudd's presentation, expressed his view that deviating from consistency in human rights policy should remain within the bounds of moderation; otherwise foreign policy credibility is deceptive.

Jakobson warned against falling into human rights populism at the expense of a foreign policy based on national interests. He had looked for signs of changes in Finland's human rights line in the speeches of foreign policy leaders, including Tornudd.

Finland Too Voted against Measures

Tornudd did not consider human rights as one of the central foreign policy questions, although for him personally they constitute a subject close to his heart. He noted that in various countries there are conflicting concepts of the order of priority of human rights and that the international agreements touching on them are open to interpretation. Even Finland has voted against some points in agreements or presented reservations to them.

Tornudd considered it in the national interest to strive to have the same human rights values as in Finland and the United Nations respected in other countries. Finland too has been ill treated by fortune on the human rights front; for example, the renewal of a preliminary study of a treaty provision about which Finland previously made a reservation was in part the fruit of international agreements.

In Tornudd's opinion clear behavior models cannot be found for applying human rights policy, but rather all countries are to a certain extent inconsistent.

Tornudd emphasized that human rights are a part of international security in which nations are not simply ends in themselves or black boxes.

According to Tornudd the emergence of human rights in Finnish foreign policy did not derive from the fact that the line had changed in its "fundamental nature." Further causes of the emergence were, for example, the CSCE Final Act and the UN Convention on Human Rights, both of which date from the mid-1970's.

"Not Ideologically Neutral"

Jakobson considers the starting point for Finland's official human rights policy to be its geopolitical location, which does not, however, prevent holding onto its own values. "Finland is not ideologically neutral," he remarked.

In Jakobson's opinion sharpness in human rights could harm relations between Finland and the Soviet Union. Hence Finland is reserved in cases that are considered violations of human rights in Western Europe.

Jakobson urged the foreign policy leadership to display moderation in human rights violations "in other directions too" and to remain moderate in deviating from consistency.

Finland's possibilities for influencing the behavior of others were rated low by Jakobson. He regarded temperance in human rights matters to be not only politically appropriate but also morally justified.

The expectation for bearing responsibility directed at the media in Jakobson's opinion does not promote the suppression of critical judgment but impartiality and objectivity.

Jakobson remarked that previously media responsibility was used to mean resisting Soviet occurrences. Now he saw antagonism to America in some media.

12893

CSO: 3617/82

PAPER HITS VAYRYNEN FOR URGING SELF CENSORSHIP IN SCHOLARSHIP

Helsinki HELSINGIN SANOMAT in Finnish 3 Mar 86 p 2

[Editorial: "Vayrynen's Self-defense"]

[Text] Machiavelli's teachings guide the conduct of foreign policy in all countries in accordance with the best efforts of those responsible for it. The bit of wisdom voiced by Foreign Minister Paavo Vayrynen at the Historical Society discussion on Thursday certainly qualifies for the conduct of Finland's foreign policy: "It is not always appropriate from the standpoint of the country's interests to say everything that one knows."

The foreign minister extended the sage advice to apply to scholars of the history of foreign policy too. According to his guidelines an appropriate defense of national interests should be built into the mind of every patriotic Finn, including historians. As a methodological guideline the foreign minister suggested: "Sources only respond to questions that are put to them."

In the minister's advice policy governs research. In practice it leads to disseminating and confirming erroneous information as facts, as the cases of the Swedish schoolbooks that became public a few weeks ago show. Foreign Minister Vayrynen lays the blame for the errors in question - where else - on the shoulders of the Swedish newspapers. But who originally gave such incomplete and misleading information on Finnish foreign policy to the Swedish papers?

Of course the study of foreign policy serves the conduct of today's policy, but this does not mean that the facts of history are changed or covered up in the name of present day relations. Any fact that is hidden in the name of the national interest leads astray and can turn out to be costly on the day when it finally is revealed, for example in the archives of other countries.

The Finnish government is very thin-skinned in fostering the principle of secrecy. This is manifested among other things in an eagerness to extend the period for keeping archives secret. One should not find fault with history - nor should the whole nation be burdened with topical secrecy obligations based on foreign policy inferences, even in the name of "real patriotism."

12893

CSO: 3617/82

NEW DECISIONS ON LABOR LAWS REPORTED

Work Week Length

Paris LE MONDE in French 8 February 86 p 28

[Article by Anne Chaussebourg]

[Text] The study of the bill modifying labor laws and related to the collective negotiation on the adjustment of the work week, which began Tuesday 28 January in the Senate, came to an end at dawn of Friday 7 February. A "shortened" version was adopted by 222 to 93 votes (PS, PC).

Faced with the obstacles used by the communist deputies, at the end of a week of debates in the National Assembly, Mr Laurent Fabius had resorted to Article 49, Paragraph 3, of the Constitution in order to pass the bill without a vote last 11 December. Since it did not have the same possibility in the Senate, the government could only count on the good will of the opposition to avoid endless discussions. Accused by the government and the socialists of "collusion" with the Communist Party, the opposition, which is in majority in the Senate, was anxious to be cleared of this suspicion. The choice of passivity made by the minority in opposition at the Palais Bourbon in order to emphasize the differences between socialists and communists, if followed by the Senate, would have resulted in the blockage of the bill as hoped for by the PC. This choice also exposed the Senate majority to the reproach of letting disintegrate "the wise image of the High Assembly."

Added to these two reasons--unwillingness to cooperate with the PC and professed "wisdom"--is the determination of Jean-Pierre Fourcade. The President of the Commission of Social Affairs hoped that the opposition would acknowledge the necessity of not deadlocking on the question of work week length. Even if he does not share the government's opinion regarding methods, the former minister appeared convinced of the validity of the oppositions remarks on this subject. Deep down, his proposal of another project--which is not quite similar to the government's platform signed by the RPR and the UDF--has not incited a tremendous enthusiasm in his friends in the Senate majority. But nothing has been undertaken by the Centrists or the RPR to block his way.

Mr Fourcade's best support has been the president of the Senate. Alain Poher played a major role in the uncompromising application of the rules. It was thus that 254 amendments (out of the 389 proposed by the communist senators, who, in the course of debate, abandoned 9 of them) and 22 subamendments declared unacceptable were dropped and were not presented during this session. It was thus that the interruptions of sessions demanded by these same communists were granted sparingly. The PC considered this maneuver "an on-going attack" against the rights of Parliament. Mrs Helene Luc, president of the Communist Group, sent an official letter to Daniel Mayer, president of the Constitutional Council. The rules on the application of the law--certainly more flexible than those of the National Assembly--allowed the Senate majority and the socialists to prove that a minority group cannot block the parliamentary machinery. This is a precedent.

All that remains is the rest of this extraordinary session of Parliament. The joint commission, (CMP) which will convene Wednesday 12 February, will discuss the version of the bill approved by the Senate majority and the Leftist Radicals. To put it another way, they will discuss only two out of the seven points of the text as it has left the National Assembly: on one hand, the possibility of using judicial precedents created by the Supreme Court of Appeal's decision on the issue of making up hours lost because of "extra days off"; on the other hand, the right for firms (and not for sectors as the government wished) to negotiate agreements together with compensations which would not exactly equal to a reduction of the work week (this reduction constitutes one of the objectives sought by the government to permit the creation of jobs).

If it leads to the re-establishment of the text considered as adopted at the first reading in the National Assembly without any concessions made according to the hopes of the Senate Commission of Social Affairs, a failure of the CMP would risk complicating the government's task for a new examination of the bill in the Senate, scheduled for 18 February. The government has already decided to appeal to the duty of responsibility given by law to the General Assembly as soon as February 13th.

Modernization Unanimously Supported

Paris LE MONDE in French 8 Feb 86 p 28

[Article by Michel Noblecourt]

[Text] Social consensus, which is difficult to perceive in the public statements of business or labor leaders, or in the important negotiations between social partners, is sometimes found where one least expects it. In the framework of the General Commissariat of the Plan, the industrial strategy group (GSI)--where representatives from labor, business, and the government all work together--"modernization of processing industries" presented to the press on 6 February a report which highlighted "areas of agreement" or "mobilization convergences," according to the formula of Pierre Louis Marger, president of the GSI and member of the Executive Commission of the UGICT-CGT [General Union of Engineers, Administrative Personnel, and Technicians-General Confederation of Labor] on the basis of the modernization of processing industries.

Without idealizing these convergences at a time when the present debate on flexibility reveals deep splits, it is nevertheless of interest that, "following in-depth debates and a review of experiences," the representatives from the

CGT, the CFDT [French Democratic Confederation of Labor], the FO [Workers Force], the CFTC [French Confederation of Christian Workers], the CGC [General Confederation of Managerial Personnel], the CNPF [National Council of French Employees], the PME [Small and Medium-Size Businesses], and of public powers should have "drawn the outline of a common vision of what the industrial firm of tomorrow" could be. Without wanting to define an "obligatory and unique program" of modernization, the GSI arrived at a common approach focused directly on two points of agreement: modernization must be "a continuous and all-encompassing process," proceeding from a "reflection on products and markets," it must rest on "the existence of an effective dialogue within the firms."

Presented as the "permanent rule of the game of survival and of industrial development," modernization presupposes an adaptation of the production processes with a permanent search for productivity and an objective of "total quality." "Over-all," the report notes, "production tools must be able to react rapidly and reliably. This capability does not depend only on its equipment, but, in great part, on its organization and its men. In this respect, an organization of labor broken down into individual operations and a compartmentation between the functions would be less and less suited to deal with these problems." To take advantage of "the most specific assets of the firm," its work force, the GSI recommends "motivating the men" and wishes "a common search for solutions, if possible internally, when there is a risk of a loss of jobs."

As a result of this, there is a body of thirty-nine proposals--of which only three were not approved by an organization, namely the FO--dealing with the firms' cultural environment and of their openness to the outside. Some proposals seem obvious, but carry more weight when they are formulated by all the social partners. Thus, "internal and external mobility in the firm is such as to enrich the experience of the salaried employees concerned and in so doing to benefit their firms." The GSI advocates "restoring" the assumption by the firms of moving costs--an award for mobility--that had been abolished.

The report gives great importance to dialogue at all levels: "the firm committee must first of all be a place of debate (...): it is clear that an understanding by all of the firm's strategies and of its prospects, and listening to the reactions and proposals of its personnel and of trade union organizations, constitute a good prerequisite, favorable to a discussion of modernization methods." "Negotiated guarantees, at least on the collective and individual consultation procedures," the elaboration of training and job movement plans must therefore accompany the "directing outline for modernization."

As for the costs of modernization, they must, for the most part be borne by the firms themselves, since public assistance must be preceded by a consultation of personnel representatives and be "conditioned by the existence of a complete and coherent plan, that could even be based on the cost of the plan." "A search for waste" is also recommended, as well as a "follow up" of the modernization, both by management and salaried employees, as well as by trade unions. The implications on employment are not referred to very much. But Mr Marger can note quietly that there is "a minimum consensus that is nevertheless relatively high." And rather rare...

13140/7051
CSO: 3519/125

ROCARD DISCUSSES POLITICAL CAREER, VIEWS

Paris LE DEBAT in French Jan-Mar 86 pp 4-50

[Interview with Michel Rocard by Francois Furet; date and place not given]

[Text] [Question] What have been the basic experiences in your political life? One immediately thinks, of course, of the PSU [Unified Socialist Party]. But before that?

[Answer] The war, naturally. For me, it played an entirely determining role. My father was in the Resistance. He was out of France for a period of a year and a half. We got news of him through coded messages via Radio London. Small child that I was, I felt great pride in his commitment.

Then came the liberation. I was 16 years old in 1946. In other words I had entered into adolescence and into public life. I saw then an immense hope flowering, in part, but not solely, because of proportional representation. I thus came into public life at a time when the pertinent choices, after having been all black and white, could in the future only be gray. This was a central lesson for me. Then there was the war in Algeria, and it was only after that, in terms of major experiences, that the PSU, and then the CFDT, had a very marked effect on me. But I must say that I joined the SFIO in 1949, and it was within the framework of this great mansion, which was on the decline, in light of its conduct with regard to the war in Algeria, that the basis of my political orientation was formed. Even in the PSU, I only deepened, continued and honed this foundation.

[Question] Did you never experience the communist temptation?

[Answer] Absolutely never. When as a second-year student at the Institute of Political Studies in Paris, I joined the socialist students and the SFIO, I was almost the only one among this whole crowd of politicized people of my generation, the boys and girls who were 15 years old in 1945, to make this choice. Two thirds of those of my comrades who were involved in that era turned toward the communist world. In one of two ways--direct membership or as followers of the Movement for Peace, or as signatories of the Stockholm Appeal. This is a list which includes the name of my old political science comrade, Jacques Chirac. I was already more cautious. And then a small contingent joined what was called the action center of the independent left, which was to become the Leftist Socialist Union, from which I felt alienated by its categorical rejection of small organizations. My first reflexes included two rejections--of the communist world and of the world of small organizations.

[Question] You have just mentioned Jacques Chirac. Were you close to him?

[Answer] Very. For 3 years we were together in the political science course. He did me the kindness of appearing frequently at the meetings which the socialist political science students were openly urged to attend. At the time, I was also studying in the Faculty of Law, where I met Jean-Marie Le Pen as president of the law students body. There then ensued a harsh intellectual, physical and judicial battle which lasted a year and a half. This was a year and a half of trade-union militancy which forced me to think about the problem of force and violence in politics very early.

[Question] What had the greatest weight for you in these first involvements? Your education? Do you come from a Protestant background?

[Answer] My father was an agnostic in a Catholic family. My mother is the daughter of a republican teacher, and all of her family members, as well as she, were baptized. But my mother became a Protestant, and my sister and I are Protestants thanks to my mother's choice, in a familial ocean of cousins who are all Catholics, on both sides.

[Question] Is this something which has been important to you?

[Answer] Very important. This is the training which marked me the most. The mechanisms of cultural training which survived during the occupation were not very numerous. It was probably the churches which remained the firmest then. During the occupation, the school system could not provide much philosophical training, if I can call it that. I was very strongly marked there, and for a considerable time, because I was a youth movement instructor, and it was that, I believe, which led me into public life. It was that which dictated the way in which I derived conclusions from the fury I shared with others of my generation in the face of the hopes so quickly dashed by the liberation, by the way in which the preceding generation behaved. For I also very soon nurtured a stubborn anger against the people who come into politics as dilettantes, to obtain honor and dignity from their participation in high-level conversations at the Cafe du Commerce, while abstaining from any commitment and keeping their hands clean and their time free. This attitude, to state matters plainly, very soon seemed to me both understandable and ineffective. This is, moreover, why my commitment was initially more to the trade unions than to politics.

[Question] No communist temptation, then. And was there not the slightest attraction to Gaullism either?

[Answer] I have told you how I experienced the war with fascination, through my father, in terms of the Free-French effort. In 1945, I was at 15 an entirely committed Gaullist. I even went with my mother, a little later, to a Gaullist gathering at which Malraux presided, at the Winter Stadium. But I very soon realized intuitively that the General did not fully understand the social concerns of the people. And on the other side, I must have been one of the first, at the time I passed my baccalaureate, in 1947, to read Kravchenko. His book "I Chose Freedom" was like an electric shock for me. It still affects me, and I still regard it, moreover, as a great book. I am not sure that there has been much written since that was better, excluding, perhaps, Solzhenitsyn. Perhaps it was this book which definitively separated me from communism. The fact is that since 1947 and 1948, I have never ceased to work to disprove a statement by Malraux which exasperated me: "There is nothing between the communists and us." I wanted there to be something else between the communists and them.

[Question] This gives you an original political profile. Although you had family links with the Resistance, you were not involved in the two political products of it, Gaullism and communism. And what has remained in your life of Protestantism--a faith or a tradition?

[Answer] A tradition.

[Question] Are you an agnostic?

[Answer] Yes. But I must add that while being an agnostic, I have retained a friendship with and loyalty not only to the men but also the institution of the Reformed Church of France, which merits respect. Its current president is one of my friends, and I count many of its pastors among them too. I remain greatly attached to a tradition which contributed to giving me freedom of thought and which taught me ethical rigor. In the midst of the great uncertainties in political life, this is useful equipment to have.

[Question] Have you read Marx?

[Answer] I have not read all of Marx, it is a fact. But I believe I can say that I am among those political leaders who have dealt with the Marxist faction and who have had occasion to engage in philosophical and political explanations with its members, and thus one of those who knows it best. I have read Marx, the "Manifesto," of course, and all of the so-called "journalistic" works, which are more closely reasoned since they are synthetic, "18 Brumaire," and "The Class Struggle in France."

[Question] What about "Das Kapital"?

[Answer] The first volume. But I have also read "The Critique of Political Economy," that long-concealed work which includes such astonishing pages ...

[Question] But through all of this reading, did you not develop a profound understanding of Marxism?

[Answer] The Marxist culture has gone so far afield that one can no longer refer to it without feeling obliged, or almost, to make excuses to the public for having intellectual commerce with what seems to be responsible for the Gulag, 50 million civilians dead, and an inefficient totalitarian system which doesn't even feed its people. Profound involvement? Relatively speaking, yes. For my part, I have taken the controversies within Marxism and the workers movement, and in particular that dividing Bernstein from Kautsky, very seriously. When we were political science students with some pretensions to being intelligent and educated, we did not conceive of our clash with our communist comrades as limited to the short-term tactical choices. As a result, it was indeed necessary to go deeper and explain ourselves. We did that. I remember having organized a seminar in Glenan, which infuriated the supervisors, at which we went sailing during the day--that was allowed-- and contemplated this vast confrontation every evening, not only to explain ourselves to and on the subject of the Marxists, but also in connection with Marxist deviation as a state philosophy. Our tragedy was that Kautsky won out tactically over Bernstein, while Bernstein was right. It was from Kautsky that Lenin, Mao Zedong and their followers derived. Now, short of these battles, one finds a Marx opposed to the state, a Marx opposed to bureaucracy.

[Question] Both things are found in Marx. One can find a social democratic Marx, and one can find a Bolshevik Marx.

[Answer] Yes, except in order to have a Bolshevik Marx, one would need the decisive step he never took--in other words, acceptance of the mediation of the state apparatus, to give birth to history. And there one must indeed admit that this cannot be found in Marx. These problems may seem farfetched, but in my eyes, they still have real importance. I continue to think that in its development today, the international socialist movement is timorous, in that it is incapable of producing an exigent critical reading of its own history. It seems to me that a true social democratic or democratic socialist movement which is master of its own history, spirit and philosophy, requires as a foundation a serious explanation of Marxism as church and as an institution.

[Question] How do you regard the experience of the PSU, in retrospect?

[Answer] As an oddity, as a series of contradictions. The conditions of its birth were already peculiar. The PSU was born in April 1960, and it was born in fact out of the collapse of the Fourth Republic. At the point of departure was the split at the congress of the SFIO in September 1958. The initial decision was made by Alain Savary. It was he who, all alone, broke away first. He was soon followed by about 15 parliamentarians, including Edouard Depreux, and probably 10,000 party members. For administrative reasons, I was not physically present at the congress (I had been sent to Algeria 10 days previously). But I was the political secretary responsible for maintaining the minority file, under the distinguished authority of Edouard Depreux. Thus I was at the heart of the mechanism. The decision to break with the SFIO was the product both of long-standing impatience and a temporary anger. The long-term impatience had to do with the refusal of the leadership to consider a political union of the left. The anger had to do with the attitude of the main party leader. We in the minority in the SFIO had a very strong conviction that nothing would be feasible in France unless there were a union of the left. This is a very important point. From that moment on, I had clearly in mind the principle which would be the basis of my meeting with Francois Mitterrand, and my entry into the PS in 1974--in fact, my homecoming. As national secretary of the students in the SFIO, I had already pursued a policy leading in that direction. I had oriented them along the line of united action with the communist students, a policy I pursued by successive steps in the only sectors where the apparatus gave the student organization relative autonomy, which were international action and trade-union action. In 1958, we were not at all procommunist, and we were in fact very demanding about rejection of communism, but all of us had in mind that it was indeed necessary to ensure cooperation not only with the communist voters, but also with the communist trade-union forces, in order to get this country moving. We no longer had the impression that a strategic deepening of the split, as sought by Guy Mollet, would cause a weakening of our own strength. The sociological intuition that democracy is a toxic atmosphere for communism was in our minds from that time on, and we developed it experimentally, in particular in the trade-union sector. Then came the war in Algeria and the action of Robert Lacoste. I will omit the comments which that might inspire. Our dignity was wounded, as men and as party members. Finally, there was the trip made by Guy Mollet to Colombey to find de Gaulle, and the ignorance of the dangers of a constitution tailored by an officer thought to be a follower of Maurras--people were not really sure that de Gaulle was any kind of great liberal.

[Question] Did you see the Gaullist movement as a danger to freedom, in 1958?

[Answer] Yes, but I remember, all the same, that de Gaulle had reestablished the republic after the liberation. Moreover, I had been put out by the indecent nature of some of the methods used by people in the left-wing against the General, and even scandalized by the hypocrisy of some of the outcries from people whose conduct belied the concerns they voiced.

[Question] How do you see the development of the PSU during the Fifth Republic?

[Answer] The PSU was born, then, of a break with the SFIO, in September 1958, and the merger, after a year and a half of debate, of this fragment which had split off with the Leftist Socialist Union, which itself was the product of three successive mergers of small groups and the few men in the Tribune of Communism. What was at stake was ambiguous. What was put in the common pot was first of all the will to oppose the war in Algeria. This was the only clear thing. Beyond that, the intentions remained vague, and the search to find the best approach for bringing about the union of the left was to be very difficult. I have a long-standing argument with my friend Jean Poperen in this regard. He was so desirous of a return to a union of the left in which, utilizing intermediaries, the PSU could facilitate dialogue with the PC-SFIO, that he did not believe this dialogue should be encumbered with ideological substitutions which would be unacceptable to the Communist Party. I, on the other hand, belonged to those groups which, under the aegis of Gilles Martinet, thought that in order to plant the seeds of the union of the left, an opportunity for it needed to be created by introducing new themes, either in the realm of reflection and political proposition, or in the realm of militant political or trade-union action. The whole aspect of modern economic reflection, and also the whole aspect of decentralization, etc., derived from this. These discussions were at the origin of the chaotic nature of life in the PSU, which became ridiculous due to the multiplicity of its factions. The

PSU was the crucible in which all of the traditions of the French left wing, and I mean all, were found in the pure state. Now no one, either inside or outside, took the trouble to undertake this basic sociological analysis, and this aggravated matters greatly. And of course the process of settling was difficult. The situation was clarified in 1967 when I became national secretary, on the basis of a simple venture which came down, basically. to this: The PSU, a small organization but one serving as an independent research laboratory seeking a renewal of the left wing, hoped to elect a maximum number of deputies in connection with the negotiations with the large parties, in view of our intellectual contribution. Then came May 1968, which destroyed everything, completely redealt the cards and delayed this effort for 10 years.

[Question] That is your total assessment of 1968?

[Answer] No, of course not. May 1968 only affected the political organizations, in an almost indirect fashion. Everything possible has been said about May 1968. It was a strange antibureaucratic explosion which was born in the university sector but which took on its full historic dimensions only because it was taken up by the labor world. In relation to this movement, the main thrust of the government political forces was blocked by the refusal to understand that the new demands changed the traditional game. We in the PSU not only tried to understand, and not only felt solidarity with the challenge of the apparatus, but since we had numerous members involved in the movement, we made an effort to guarantee the public expression of its goals, and also to bring our full weight to bear to avoid the outbreak of violence. In May of 1968 I was secretary general of the largest organization involved in the movement. My clear view of the fact that the movement had neither the need nor the ability to take over the national levers of command was complete from the beginning. In this senseless deployment wherein no one any longer had control of anything, my sole concern was that the movement remain nonviolent--no deaths. I think I can say that a good portion of the people who might potentially have agreed with the choice of violent action in France were in the PSU, in May 1968 and shortly afterwards. And we sensed this. I knew very well where the danger lay. At the end of 1968 and in 1969, I was able to make and impose the decision to hold, in April of 1969, a congress on violence in history. A whole mass of people who might have created French versions of the Baader gang or the Red Brigades found themselves led into participation in seminars on violence in history, from which it emerged that violence by the workers has only been effective historically when it was defensive, and that there has never been an instance in which offensive violence by the workers failed to fall into ridicule, with negative, and most often totalitarian, results. In the fact that the events of May 1968 developed without a single death, the role played by a great prefect of police weighed heavily. But I can say, perhaps immodestly, that the role of the two or three conscientious individuals who were in command of what could be commanded, which is to say not very much, also made a decisive contribution. And matters did not stop there. The leftist phenomenon followed. The Trotskyites and the Maoists did not count for very much in the events of May 1968. They did not succeed in imposing their arguments. But afterwards! What an explosion of language! We had a phase of insane, intolerable leftism, during which I, as secretary general of PSU, went from national council to national council to deal with the most urgent problems. Basically, that I survived was a miracle.

The effort to achieve the intellectual reconquest of all of this nebulous phenomenon was a delicate and decisive matter. What I would like to say on this subject is simply this: If the events of May 1968 were not followed in France by a transition to "violence as the midwife of history," as happened in Italy or in Germany, this was not entirely an accident. By contributing to the creation of the intellectual political conditions for a deliberate rejection of violence in the Italian or German style by those or a part of those who might have been involved in France, I feel that I rendered a certain service to my country. The price for me was a strange image of that period. I do not think I need to regret it. Moreover, 1968 revealed with cruel clarity the total absence of any social roots for the official leftist apparatus, beginning with the SFIO, which continued to be known as such within the Federation of the Democratic and Socialist Left (FGDS), which was created a short time previously, but which was nothing but a superstructure. In all of the somewhat active circles, there was nothing but mistrust of these institutions, which seemed doomed. This was the reason for the extreme difficulty in making it understood that it was from this sector, nonetheless, that the important thing would come. I can still hear the jeers in the hall when I told the PSU congress which was held 15 days after the Epinay congress: "You know, something which might well prove extremely important has just happened in Epinay." No one understood. This was why I was unable to return to the PS with a large number of members until 1974. My conviction about the inability of small organizations to grow had developed much earlier.

[Question] Does the concept of a second left wing still have meaning for you?

[Answer] The "second left" was dead as of the day it was given that name. This was a serious error, for which I bear some responsibility, moreover, since I spoke of "two cultures" during the congress in Nantes at the beginning of 1977. There is a left wing in France, and it could not be more diverse in its traditions. But to speak of a "second left" is to blend in one's memory people as far apart as Rene Billieres and Jacques Duclos. This "given name" created a chasm where the entire problem was one of bridges and mergers, which in fact came about, moreover, when everyone --the official institutional left--had realized that in view of the challenge of social welfare, the challenge of unemployment, the challenge of creating jobs, it was necessary to respond through microsocial actions at least as much, and probably more, than in terms of state intervention exclusively. Put in another way, the problem was not so much one of two cultures as it was one of two eras. For faith in intervention by the state was shared as much by the social democrats, indeed a part of the right wing, as by the communists. This so-called "second left" is, so to speak, intellectually in power. But the problems involving tools and feasibility remain wholly unsolved. It is there that the new complex of problems exists today.

[Question] Let us move on, if you will, to an assessment of the socialist administration of the country. Perhaps we could begin with the economic policy, which is your field, par excellence.

[Answer] Things began rather badly, for reasons which date far back and which have to do with the concept of the economy which was implicit in the joint program. In 1972, the determination of Waldeck Rochet culminated in the process of the signing of the joint program. Where did this theme of union of the left come from, since it had previously been stubbornly rejected not only by the SFIO, but by the trade-union structures on which it relied, as well? This was not the product of the political structures, but of the French voters, in their evident rejection of the "cartel of naysayers." As of these 1962 elections, the Political Bureau of the PCF realized this, at the same time as two individuals, Francois Mitterrand and Raymond Barillon, did. The latter, in long columns in LE MONDE, was to accustom France to the political culture which would result therefrom, that of the republican discipline which had become the Union of the Left. It was under these conditions that Waldeck Rochet issued the Champigny Manifesto. It was to take advantage of this opportunity that there was immediately, when the SFIO was won over by the newcomers, Francois Mitterrand in particular, a positive response to the reference to the Union of the Left. Negotiations went very quickly, with this attitude. My analysis of this situation is that the importance of the ideological sacrifice made to the PC by the PS in 1972, in its manner of thinking, particularly economic and monetary thinking, was a determining factor, and, I would add, to a great extent useless. We are sufficiently familiar with the PC to know that as of the time it made the tactical determination to encourage the Union of the Left, it was ready to sign any number of things, with, as its ulterior motive, the assumption that it would gobble up these mediocre social democrats, who were incapable of discipline, cohesion, and even, in the view of the PC, loyalty to their own cause. Thus stronger ideological resistance was perfectly possible. As of that time the die was practically cast. We were faced with thinking favoring redistribution but unaccompanied by equally well-thought-out plans as to the method and manner of action, thinking focused almost exclusively on the state apparatus as the tool for realizing the hopes of the socialists, with the illusion of hidden treasure everywhere--in the state budget, in the fortunes of the employers, and above all, the lack in this whole business of any active undertaking. This was the reason for the terrible handicap the left wing had with this baggage regarding the regime. The 110 proposals of Francois Mitterrand as a candidate 8 years later were, fortunately, to be less excessive in many sectors, but they could not fail to show traces of this attitude.

[Question] Is that what you tried to make clear at the congress in Metz? It must be said that your strategy was not easy to understand at that time. Why this sermon, why not carry your candidacy through to its end?

[Answer] In fact, I took the risk in Metz of challenging the orientation, by saying: "This is not a serious approach. You are promising too much. What are the facts in the situation? We are going into the elections with a good chance of winning, but with a very unrealistic program. Under these conditions, if the first secretary prefers not to take the risk of a difficult administration, without personally assuming responsibility for excluding the debatable elements in the program, I can be the candidate. If, on the contrary, he decides to go ahead, I would support him, and there would be no conflict between us." Basically, it was a simple matter. Francois Mitterrand decided, finally, to run as a candidate, and I kept my word.

[Question] Thus we come to 1981. Did you have the impression, beginning with the very first steps, that things would go badly? You know that Thierry Pfister denies that you argued the case for devaluation with Pierre Mauroy.

[Answer] That is wrong. I state this categorically. It is true that I was not consulted within the framework of the very small group of people who had to make the decision, and believe me that was not my doing. However, I did have an opportunity to talk briefly with Pierre Mauroy, a talk which he mentions in his book (Pierre Mauroy, "On the Left," page 19). And I reminded him of all the reasons supporting my advocacy of immediate devaluation, because we would have had to effect it very quickly. Mauroy was hesitant. And devaluation was finally rejected, with the justification, it appears, that one does not effect devaluation when one has legislative elections to be won.

[Question] What is your assessment of your own actions in the planning ministry?

[Answer] You mean the Ministry of Planning and Regional Development, not just planning alone--this was a post which I owe to the friendship of Pierre Mauroy.

[Question] Did you not have an influence on general policy?

[Answer] The planning minister is one who has few departments and no budget allocation, nor is his signature required for anything. I will omit the difficulties I encountered. In short, these 2 years in the planning ministry were not the easiest in my life. Excessive economic risks were taken, socialism was compromised by the failure, I could do nothing about it and everyone believed, in addition, that I was in agreement, because solidarity was my policy.

I barely was able, in the midst of this difficult time, to rescue an important nucleus in the plan--the programs with priority for implementation. But the finance and budget offices have already succeeded in challenging this concept. The only thing which remains of what I did then is the plan contracts between the state and regions, which do indeed represent a very important cultural revolution. For the first time in the law and the lifestyle of this country, and along with decentralization, this procedure makes it possible to link the regional view and the national view of the public interests. All of the regions, of which nearly half were controlled by the opposition, have signed such contracts. The concept was readily accepted. It will be a tool for profound cultural change, if it can survive through five plans, let us say, over 20 years, after 5 centuries of centralization. A recent decision by the Strasbourg Administrative Court, moreover, has just confirmed the legal validity of these contracts, thus consolidating them. I, for my part, am very proud of this.

[Question] I imagine that since the turning point in 1983 you are much more in agreement with what has been done?

[Answer] It was as of June 1982 that the turning point came about, with the plan accompanying the second devaluation. This was later confirmed and expanded in March of 1983. Unfortunately, the gains in public opinion which we might have hoped for following this return to a serious attitude were canceled out by the argument to the effect that this was in fact the same policy pursued previously, instead of an explanation that we had failed to analyze the situation properly, as the social democrats had been able to do in Sweden in 1931, with the result that they remained in power for 44 years.

[Question] But you still have basic reservations about the policy pursued since 1982, and above all, 1983?

[Answer] This policy has been successful. This can be measured by the fact that we have not had to effect a devaluation of the franc again since 1983. And I believe that a strong currency is an excellent accompaniment to a healthy economy. The return to equilibrium in the balance of payments in 2 years, after the 1982 accident, also represents a substantial result. And, finally, for a country so accustomed to rapid inflation, the fact of having brought the annual rate to the approximate level of 5 percent is obviously an important result too.

All of this cost us a great deal in unemployment and a slowdown in growth. I remain convinced that, while maintaining the same certainty of safeguarding the major domestic and foreign financial balances, we could have undertaken a somewhat more forceful accompanying attack on unemployment. I continue to think that in the realm of energy savings, we could have done much more than we did. Similarly, we could probably have provided a base for our social contributions which was less of a deterrent to employment. But we are speaking here, one must realize clearly, of only very narrow margins for action.

This success, moreover, has a political and cultural aspect. It represented the administrative apprenticeship of the left wing. The key point in this movement occurred at the congress in Toulouse when, for the first time in 80 years, the Socialist Party, instead of fortifying itself against the difficulties of government by continuing to pursue an impossible and leftist discourse with it, reconciled its words with its actions. We may perhaps see state enthusiasm, full of illusions and plans for redistribution, rise again in the future. But relying on an extremely clear and firm congressional text, including the 22 amendments I managed to get passed, we will have a solid basis for resistance to a return to the past. I am happy to have contributed to this little cultural revolution. For had I and my friends not been there, even though in the minority, I am not certain that there would have been such vigorous resistance to the temptations of the easy path. In any case, the congress was unanimous, and that was the main thing.

[Question] What do you see as the positive aspects of the socialist administration since 1981?

[Answer] Decentralization was not carried out entirely as I would have wished, but it provided a healthy kick to the ant hill, creating an initial imbalance in a system too long established. Adjustments will be needed, but at least we have put an end to the state as an alibi to justify the inertia of certain local notables. In the next 15 years this will likely have changed the country profoundly. That is the main thing.

Secondly, we have the Auroux laws, in other words the creation of conditions for confrontation and dialogue in the business sector. The owners of the large- and medium-size enterprises with the best understanding today believe that there should be no reversal on this point. This is quite an indication of success.

And thirdly, the whole court and juridicational issue. The work done by Robert Badinter is tremendous. France was alone, with Turkey, among the OECD countries to retain the death penalty. This link, I think, needed to be cut. But Robert Badinter went much farther, effecting a very considerable modernization of our court apparatus in all regards. There is an advance here which, I think, will be respected. And I am not without hope that the modern ideas underlying his draft penal code might even be reflected in our law soon.

And fourthly, the foreign policy, particularly with regard to Europe. I think I can say that in the past 5 years, the French presidency has been the most innovative and inventive in "unsticking" Europe and bringing it out of its crises, which are tending to become permanent. Another basic aspect in foreign policy has to do with security. It first of all involved making our armed forces and the French public understand that with the left wing, the security of France was in good hands. Then it involved giving our partners and allies the same assurances. Evidence has been provided, I believe. The discussion about the Pershing missiles in the parliament of the FRG is one which has marked this term of office. Opposing the erroneous view in which deterrence was interpreted in terms of safeguarding our neutrality, this demonstrated the involvement of France in European security problems for the first time.

I also believe that, with regard to a problem as serious as immigration, difficult but necessary things have been accomplished. Thus all in all, there remains a great deal wherein one can be proud of being socialist, although the assessment includes negative elements. The main failure is seen in communication with the public. We are in a dangerous electoral situation because we have succeeded in overcoming the mistrust which developed as of the end of the first year.

[Question] The paradox is that you socialists, taken as a whole, were very popular when you were rather bad, while you are very unpopular now that you are being rather good. How do you explain this phenomenon?

[Answer] I explain it by the fact that popularity is a matter of confidence rather than one of judgment based on indices or rates. Confidence broke down in 18 months, very simply, and this was on the basis of arguments rather than actions, in my view.

[Question] But it was in the Ministry of Agriculture that the bulk of your political action was carried out. Why were you put there?

[Answer] I do not know. But I am glad of it.

[Question] Were you not offered the national education post?

[Answer] This ministry was offered to me by Laurent Fabius, when he took over from Pierre Mauroy, at a time when I had already been minister of agriculture for 15 months.

[Question] Why did you refuse it? Did the problems frighten you?

[Answer] I do not know of any thinking person in France who could have assumed the responsibility for national education without being "afraid," as you say, but this is not an obstacle to action! However, my reasons were quite different. The problem of private education was at the peak of its acuteness and not as yet resolved. The withdrawal of the law announced 48 hours earlier by the president of the republic gave the impression that the left wing was prepared to make a very great concession in order to reestablish civic peace, but one which would not settle the problem. The file was on the desk of the president of the republic. It was my conviction that to deal with it, but with the whole of the complex public education problem as well, a man with a capacity to relate to, understand and listen to the chief of state was needed. For historic reasons, I did not have this capacity, although the agricultural issues had contributed greatly to improving these relations. I say this with calm certainty. And on the other hand, I wanted to carry some of the actions I had undertaken in agriculture through to their end.

[Question] In what state of mind did you take up your new duties in agriculture?

[Answer] I accepted the agriculture post with a specific assignment from the president of the republic to reconcile the state with this sector and to pay whatever the price might be. My predecessor, Mrs Cresson, had pursued the policy officially recommended by the Socialist Party with a great deal of courage and tenacity. Her relations with the agricultural sector, first and foremost with its powerful organization, the FNSEA [National Federation of Unions of Farm Operators], had deteriorated to such an extent that she herself asked to be relieved of the responsibility. For one must realize that the occupation which is most unionized in France is not the factory workers or even the teachers, but the farmers. The peasants, who are said to be individualists, have borne witness to an admirable organizational capacity, since 70 percent of them are members of unions, and 70 percent belong to the same organization. Agriculture has been, moreover, a hyperadministrated sector for an eternity. There is not a single important decision made without the agreement of the sector, for the simple reason that its subsequent implementation is undertaken jointly with the sector. Thus when the bridges with trade-union forces are destroyed, the work of the ministry is paralyzed. It was this situation with which I had to deal.

Contrary to what many people thought, I was not completely lacking in preparation for this task. In the PSU, we had a small but very active farm sector, with which I had worked directly, and I had had close relations with the trade-union world for 10 years. This experience led me to regard the bulk of the very administrative farm proposals of the Socialist Party as unreasonable. To cite just one example, I would simple recall that the socialist proposal for a products office was entirely incompatible with the Treaty of Rome! I came to the ministry convinced, with my mind completely at peace, that what needed to be done was absolutely not what the party doctrines called for. I explained this, moreover, to the national farm commission of the party, in a situation characterized by complete loyalty but great conflict. I had to reconcile it with the ill-thought-out prostate and pro-Marxist thinking which had produced a totally unrealistic program, and I made it clear that from then on I would pursue another course.

But what course, then? I remember the frightful situation in which I found the farm sector. Peasant income had increased since the liberation at more or less the same rate as the income of other French citizens, until 1973. And then, beginning in that year, with the acceleration of inflation, farm income dropped. Between 1973 and 1980, it declined by 20 percent, in constant francs. The gap between farm and city income was to grow to almost 40 percent, leading us into the situation in which we presently find ourselves, wherein average farm income is barely equal to the interoccupational minimum growth wage. Now this is an average which obviously includes the income of the owners of the best vineyards in Bordeaux and the big grain producers in the Beauce. This gives some indication of what the income of the others must be.

[Question] Obviously, you took an exceptional interest in this task.

[Answer] In fact I did. To begin with, everyone believes that agriculture is a thing of the past, an archaic heritage which must indeed be maintained for ecological reasons. Now I for my part see agriculture, on the contrary, as an activity mainly concerned with the future. Although Asia is in the process of emerging from underdevelopment in the farm sector, the rest of the Third World, Africa most of all, does not seem likely to achieve self-sufficiency in food before the year 2010. The Third World is a net importer today of 60 million tons of grain. This figure may reach 200 million tons about the year 2000. There are here vast markets for the countries with high production levels. But on the other hand, everything suggests that agriculture will be more and more oriented toward the production of raw materials for industrial use, rather than food. We know of the example of fuels derived from wheat, corn or sugar. But along with this, there is biotechnology, in which 50 percent of the processes involve agriculture in one way or another. Here there is a considerable potential, the development of which is only beginning.

And secondly, what a fascinating ministry that is! For historic reasons, agriculture is a world in itself. Do people realize, for example, that the minister of agriculture is his own minister of industry? He has authority over what works best in the agrofood sector of French industry, which is now the leading sector in France, surpassing construction. It is a sector in full development and with heavy exports. The minister of agriculture is his own minister of labor. Thanks to the equal representation courts which rule on rural leases, he even supervises, to some extent, certain elements in the court system. The minister of agriculture is his own minister of social security, and his own minister of education, because he alone has control of agricultural education. It was due to this that because of the relations with the private agricultural schools, I bore my share of this heavy problem. Finally, when one finds himself in charge of the second largest agricultural export sector in the world, second only, and by a wide margin, to the United States, one must inevitably have a sharp eye for the international situation. I was able to persuade my two successive colleagues, Claude Cheysson and Roland Dumas, to do something rather new with regard to our foreign trade relation, which have traditionally been handled by the finance and external affairs ministries. I made capital of the specific nature of farm expertise, to the extent that I also became minister of foreign farm relations. There is, moreover, first of all a European, and then a world club of agriculture ministers, wherein we know each other and are bound by friendship. This is to indicate to you the fascinating nature of this post, with its implications and its issues--the Third World, hunger in the world, cooperation and trade regulations.

I would add a last reason, which is perhaps the most important. It is a fact that on our ancient European land, threatened with deterioration and rigidified by the effort to ensure security at all costs, as well as sectorial demands, the agricultural world is a world of men and women facing challenge. It is a world in which one is subject to the pressures of risks--economic and weather risks, but it is a world in which the difficulties give the people a warmth and sincerity you cannot imagine.

[Question] As a good socialist, you set out for the world of the factory worker. The accidents of your career led you to discover the enchantment of the peasant world!

[Answer] Enchantment? There is no harsher calling, none worse paid, and there are no more stubborn interlocutors than the farmers. There is a despair in farming. But there is also a love of the dignity of the peasant's calling which is the source of unparalleled authenticity. This is the reward for the minister's tasks. Although this is the most worrisome of the ministries. I have never worked so hard in my life.

[Question] Were you welcomed in the peasant sector?

[Answer] I was without a doubt well received, for several reasons. I was rather well known as I have already told you. They knew I was not too dogmatic, was ready for dialogue and was capable of understanding an issue if necessary. They believed me to be a modernizer. Francois Guillaume recalled very clearly that 22 or 23 years later I went to Lorraine to head a seminar over which he was presiding, on planning for the CNJA [National Young Farmers Center]. I was welcomed then, more than courteously, although cautiously, and with, let us say, critical watchfulness. My relations were immediately excellent with the great galaxy of the National Farmers Credit, Cooperation and Mutual Confederation. The same was true with the majority of the large federations in the sector, first and foremost the most powerful and active of them, the federation of wheat producers. And the same was also true of all the chambers of agriculture.

[Question] What about the FNSEA itself?

[Answer] Francois Guillaume was mistaken. He began on the basis of the simple principle that the departure of Mrs Cresson proved that no minister of agriculture could deal with a generalized clash with the sector, and that therefore I, as the new minister, would have need of him, such that in this situation he could impose his conditions. There were mainly two: first of all, on the European level, absolutely no dairy quotas, and secondly, on the domestic level, absolutely no acceptance of the small unions into the bodies representing this sector and cooperating with the administration in its work.

I will not go into the battle on trade-union representation which began with the installation of Mrs Cresson in the ministry, or the way in which I succeeded in getting Francois Guillaume to understand that his monopoly could exist in fact if the sector vote so decided, but that I as a minister would not establish a de jure monopoly. I would rather discuss the second battle which I had to wage, that of the dairy quotas, because it involves some decisive points. In speaking of decisive points, I am thinking of European construction, hunger in the world, North-South relations, and the relations between Europe and the United States in terms of the overlapping of commerce and strategy.

I took up my duties at a time when the triple crisis in the European community--near paralysis of the institutions, budget blockages and fantastic growth in the farm surpluses--was being revealed in its full breadth. The joint farm policy had been suffocated by its own success. It had been adopted in 1962, in an era when Europe produced only 65 percent of the food it consumed, and had to import one third. This was the reason for a policy including strong incentives for production, which succeeded far beyond all hopes. Europe began by becoming self-sufficient, and then produced generous surpluses both of grains and of milk, the two most strategic products, and the two most costly in terms of volume, as well as in the forms of support selected. In view of this expenditure, which was growing in incredible and uncontrollable proportions, the majority of the European governments had the simple idea of abandoning subsidies and letting prices fall, in the name of the liberalism they claimed to advocate.

It was thus necessary to wage a great battle to prevent the solution chosen, particularly in the dairy sector, from being one of economic and social violence, and to ensure the triumph of the principle of intelligent intervention, that is to say the establishment of a production ceiling beyond which the price would not be guaranteed. The official representatives of the French peasantry were radically opposed to this. The dairy producers, clearer headed and more responsible, were more willing. The negotiations proved to be extremely difficult. We were only able to achieve something tolerable by reducing community production of these products by 5 percent in comparison to the 1983 figure--one which was intolerable for the 440,000 French producers. It must be realized that since 1981, the increase in French dairy production had been about 4 percent, while that of our neighbors reached 12 and even 14 percent. After 3 nights of negotiation, I was able to hammer out an agreement taking these differences, in which no one believed, into account, such that despite the criticisms of the FNSEA, the peasants realized that they had been defended, and defended well. The results seemed so far out of reach that the government, in the hope of preventing a stalemate, asked me not to conclude the negotiations, but to leave this task to the ministers of external affairs or other government leaders less directly subject to pressure from the national farmers. My conviction was, on the contrary, that it was by going into details based on expertise that we could reach an understanding. Thus it was by exceeding my mandate that I achieved this agreement, which came as a great surprise. The 10 ministers of agriculture probably saved European construction on that occasion. Had there been no agreement, or had there been a bad one creating anger everywhere, with possible expenditures representing two thirds of the European budget and spiraling beyond any control, all of the conditions for an explosion of the Community would have been established. I am quite shameless, but I am firmly persuaded of this. I do not think that the European recovery we are seeking today would have been possible without it. I would even say, moreover, that without the agreement we succeeded in obtaining on wine, thanks in particular to the courage of the Italian and Dutch ministers, it would not have been possible to get France to accept the expansion of the Community to include Spain and Portugal.

In fact we were able to arrive, after long and difficult negotiations, at an intelligent solution which made it possible to reduce the price paid for distilling, and thus in the end to spend less, while at the same time obtaining an increase in the market price for table wine which we could guarantee the grape growers. The means of achieving this was the commitment to distill in the event of excessive yields, which had the additional advantage of protecting us against an invasion of Spanish wines.

Where I was concerned, this was a fascinating experience in major negotiations.

[Question] And outside of Europe, what do you remember about your experience in the Ministry of Agriculture?

[Answer] There is a particularly decisive aspect of things which I perhaps could not have assessed without this period in the Ministry of Agriculture--the interplay of relations with the United States. The United States is master of the world, but it hardly knows it and lacks the political and administrative capacity to integrate its trade, diplomatic and military strategies in a single vision. The Americans have recourse, on the world agricultural markets, to absolute protectionism where they feel weak (dairy products and sugar), while demanding equally absolute liberalism wherever they are strongest (in particular, in wheat). Now they have enormous subsidies, six times as large as those of the European Community, per farmer. The total in 1983 was $21 billion in the United States, for 2 million farmers, as compared to $14 billion in the Community, for 8 million farmers. In 1985, the totals were about $18 million [sic] as compared to 16. Under these conditions, the domestic price for American wheat means nothing. But it has become the world price, and at that price, farmers who produce less than a quintal per hectare, that is to say practically all those in the Third World, cannot produce at a profit, even for the Third World itself. Thus the Third World is being stifled and forced to import to survive. There is a dramatic contradiction here with the urgent need for development. Currently, we are involved in major international trade negotiations which will last 4 or 5 years, and this will certainly represent a decisive area for the next governments of the French Republic. For the issue at stake is an international one. It does not involve only the future of our agricultural sector, but the balance in the world, and the opportunity for development which the rich countries will, or will not, offer the poor countries.

I will not speak to you of the interesting reform of the PMU [legal parimutuel system] which I also had to undertake, nor of the reunification of the foreign departments of the Ministry of Agriculture, a difficult operation if ever there was one.

But how can I fail to mention the great pride I felt when, after 18 months of negotiations with 10 or more partners, I saw the two laws I had proposed to the parliament, one on public farm education and the other on private farm education, approved, one after the other, and unanimously, by the two assemblies.

[Question] Let us speak now of the current situation. There are legislative elections scheduled for March 1986, and an uncertain period to follow. In what state of mind do you find the Socialist Party?

[Answer] In a state of mind entirely consistent with the responsibilities it has in the French society of today. An event of considerable importance, which has perhaps not yet been fully evaluated, occurred in the life of the Socialist Party. This was the congress in Toulouse in November of 1985. The French left wing, and French socialism in particular, has had uneasy relations with the government since the beginning of this century. The Toulouse congress was the first since 1905 at which the written discourse of the Socialist Party was consistent with government practice. This was the first time that, while in government, it produced an economic document, and one consistent, basically, and even in detail, with the limitations which are imposed on government policy. This cultural event is beginning to make its cumulative effects felt in the psychology and attitudes of the people. In my view it is the guarantee that the socialist movement will be able to conduct campaigns which will take into strict account realities which are very limiting and, in a world with a very open economy, decisive.

[Question] To put it in another way, you who have always been somewhat torn between public opinion and the Socialist Party now have a tendency to think that the two approaches are closer today than they were in the past, and that this works in your favor?

[Answer] It is quite obvious that I was balancing between two chairs. But now that they have been pushed together, I am seated very comfortably.

[Question] What will be the main guidelines you will propose to the public in the years to come?

[Answer] We are living in a period of very specific change, and we must begin by determining its outlines clearly. The world has been ravaged for a long time now by the contradiction between liberalism and collectivism. At its extreme, this is the East-West confrontation. But it is the same clash we encounter again, diluted in various ways, in the confrontation involving the great opposing coalitions within the universal suffrage system of the Western democracies. In this connection, socialism remains tragically linked in the minds of the people with the communist world, because of an ancient and very costly ideological error--the belief that the achievement of a more just society requires political command and administration, with the state presumed to be the exclusive agent.

Now industrial change, which is routinely called a "crisis," is in the process of drastically shaking up this old dogma. Demands that the state provide subsidies, allocations or various kinds of protection have increased, while the slowdown in economic growth led to a slowdown in the increase in the state's resources. And in addition, the state has just been viewed anew from the point of view of regulations which lead to rigidity, complicate changes and prevent flexible reorganization, etc. This was followed by an intellectual change wherein socialism is in the process of taking up this discovery that its proposal for a more equitable society, far from requiring more administration, would be better served by better rules of the game and less administration. In the thinking of the left wing, this is a new venture beginning with the idea that its proposal for justice, whether it is a question of the schools, social protection or crime prevention, must be translated into methods of application in which the state is no longer the single agent, but a source of encouragement, the organizer of social dialogue, a channel for undertakings, while also being the agency which allocates a part of the common resources for long-term, as compared to short-term, preparations. There the functions of the state are limited. This is a basic change.

At the same time, I am concerned when I see that the right wing, on the basis of the same data, is partially radicalized, for its part, and seems to have forgotten all administrative pragmatism, to the point of losing sight, on the pretext of purely ideological liberalism, of the fact that we need rules, including rules for economic interplay. For it is at the moment the state gives up a certain number of functions that it becomes even more important to administer it properly. The future of France will only be in good hands if control is taken up by whichever of the two coalitions has carried out the most efficient internal ideological housecleaning. Now I must say that the challenging of inherited dogmas is much farther along within the Socialist Party than in the conservative coalition.

[Question] To put it another way, the socialist concept, in your view, is inseparable from a certain surrender of state functions at the end of the 20th century. Can you specify what this means with regard, for example, to socialist expenditures, which will be one of the main problems in France in the years to come?

[Answer] I am not sure that the concept of surrender of state functions is exact. The problem lies elsewhere and is more vital. During the change I have described, one which is not equally advanced in all of the European countries, the socialists have in no way changed goals. But they have radically changed their tools. The socialists remain a group of men and women who aspire to and are working toward the building of an ever more just society. This quest remains based on four unchanged guidelines:

--Rejection of any abusive domination and the exploitation of man by man, viewed as fatal to life, in the economic sector in particular;

--The desire to guarantee all children opportunities in their lives which will be as equal as possible;

--Rejection of arbitrary measures in the management of society. This presumes democratic and clearly understood mechanisms for any system of authority, political or economic;

--A desire to give priority to negotiation over confrontation, in social as well as international conflicts.

The international socialist movement has long believed it could achieve these goals through the exclusive action of the state, a state with mastery of the production and trade apparatus. In Sweden, Germany, then Spain and now France, the socialists have, one group after the other, abandoned this illusion. Why? Because several reasons led them to it.

The first has to do with the fact that the production apparatus in a modern country is a complex thing. It only functions if the direct requirement of being efficient and providing proof thereof is imposed on each unit. The state is unsuited to this demand. Only the market can reflect and reveal results. When there are none, or when the market does not function, the economy does not either, but conversely, without a guardrail, the market tends toward concentration and moves in the direction of abusive domination. Therefore the rules of the game must frame it as well. The state alone can promulgate these rules. Its role stops here, at this point, but it is an essential one.

The second reason is that while the state has specific functions, and I would fear that the "liberal wave" might conceal them or cause them to be overlooked, it does not necessarily have specific virtues. In other words, the men who carry out these functions can make mistakes. Therefore society must be able to react before becoming trapped in a dilemma. Counterweights must aid it here--the territorial collectives, through decentralization, and the autonomous enterprises, in particular thanks to the existence of a very large private sector.

The third reason is the discovery that a better society requires not only agreement, but also active participation by a large majority of the people. It is better to go more slowly, to expect less of the law or of regulations, than to find ourselves faced with a collective rejection. This is the whole problem with social protection. No one denies that it would be a good thing. But if society is not also willing to pay the costs, protection will dwindle. The state has wanted to implement this itself and to do it well. But the result has been a connection which it is difficult for each individual personally to establish between the contributions he makes and the extent of the protection provided for him and his family. Under these conditions, perception becomes blurred and the people challenge the system in effect.

The fourth reason is the strongest one. The level of equity or equality among its members which a society approves or would like to have can be achieved much more easily through a multiplicity of daily accomplishments than through administrative action. School opportunities for children from disadvantaged environments, the wage scale, the attitude which excludes certain minorities, acceptance of taxation and of the speed of its progression--in all these key sectors and many others as well, one finds that the real regulator is public opinion, or, to be more exact, collective attitudes taken together. The argument of authority tends instead to lead to regression, particularly in the production sector, where an awareness has finally developed that the structure is a result of all of these behavioral developments, much more than their initial cause.

It is all of this which has made the change in socialism as to methods of action necessary and possible. Naturally, the four basic options to which it still adheres remain references for administrative action. But they are not only that. They provide social dialogue with the elements for its activation. It is the responsibility of the organized partners to negotiate and compromise, with the state doing no more than encouraging them, since it is this social dialogue which is henceforth the most powerful lever for the development of the modern democratic societies. These choices, finally, which are always present in public discussion, serve to encourage attitudes and behavior the effects of which will be useful for all. Socialism, our socialism, means the democratic conduct of society, tending to associate all its members in the consistent improvement of the living conditions of each one of us.

This is clearly seen in the realm of social protection.

This means several things. The first is that it is necessary to pursue a tireless search for solutions through social negotiation, rather than through public decisions alone. Social expenditures are administered by social security systems supplemented by a system of mutual insurance companies. The elected representatives in the social security sector and the officials of the mutual companies are substantial powers which cannot fail to be involved in the decisions.

Secondly, the most difficult aspect in correcting our social finances, if we want to stabilize them, involves pensions. As soon as one takes up these problems, a preliminary question immediately arises. If what is wanted is to avoid an increase in the pension burden, is it possible to maintain a pension mechanism such as we have today, in which the sums paid in are redistributed, or is it necessary instead to move toward a capitalization system in which each individual accumulates, for his retirement, capital managed in his name, the benefits of which he will subsequently enjoy? Everything is possible, including a combination of the two, or even somewhat more personalized distribution. But what I do know is that here again, no public body will have sufficient authority to make the decisions alone, by law, and that very intensive social negotiations will be needed.

I would say more or less the same thing where compensation for illness is concerned. We have first of all an economic-administrative problem in the management of hospitals. All of the experts believe that further increases in productivity are possible in hospital management. It is in this way, among other things, that we will be able to finance new medical activities and resolve the crucial problems which we will be experiencing with the aging of the population. It is necessary, moreover, for us to have the tools for regional planning in this sector, which will make it possible, among other things, to draft program contracts among the various partners.

In addition, our use of hospitalization for the elderly and for the permanently handicapped is probably excessive. I am sure, because the demonstration of it has already begun in my own commune, that a significant improvement in the quality and quantity of home aid services and medical care, in quantity first of all, would make it possible to hospitalize many fewer people, gradually, and that all in all, French society would be better off, with medical care of equal quality and a cost reduction over the long term, even if in the short run expenditures would at first increase. In order for these measures to be truly effective, profound reform would be necessary in French socioadministrative organization, such as to bring those who make the payments and those who make the decisions closer together. All of these things are extremely difficult to achieve, but in this connection, we can at least see in what direction we should move.

[Question] Let us discuss the problem of education, which seems to me to be one of the weakest points in the administration of the country by the majority since 1981. The reform effort has been particularly unclear. Are you prepared to return a part of education to society, for example higher education, where this would be easiest and most obvious, with factual application of the law on the autonomy of establishments on the financial level, in intellectual administration, etc.? Can you foresee extending this idea to secondary education, with its schools being managed like public establishments, with boards of directors, teachers and parents--in other words, in a traditional sector, in which, moreover, the French state developed a strong educational system in the 19th century, although today it is in crisis and difficult to manage, and in which the state structure relies very heavily on a trade-union apparatus? What are you prepared to do? How far can we go in relieving the state of these functions?

[Answer] The educational sector is in fact a key sector. It is necessary to begin by recalling two things. First, while France has enjoyed the great glory, historically, of being the first country in the world to provide all its children with a free, secular and compulsory educational system, we subsequently, during the Fourth and Fifth Republics, achieved mass access to the secondary and higher educational systems without ensuring that this quantitative growth would be accompanied by the necessary qualitative development. And secondly, on the administrative level, the French national educational system is the second largest centralized apparatus in the world, surpassed only by the Red Army. The result of this is real difficulty in achieving rational administration.

That being the case, one cannot overturn such a structure as easily as one could an enterprise, for its purpose is not immediate production, but the diffusion of a culture and a body of knowledge which cannot be acquired without the agreement of the clientele, that is to say the students, and profound commitment on the part of the entire teaching personnel.

[Question] In other words, the sociological base of the left wing.

[Answer] Exactly. And this is the reason for the cultural importance of a left wing which is capable of dealing optimally not only within the economic limitations, but also the administrative or sociological limitations, which are decisive here.

Given the current state of affairs, I believe first of all that it is necessary to deal in an entirely special way with higher education, in which the problems now are clearly seen and the thinking of those involved is better prepared. Here I believe in the need for greater competition. I believe that autonomy for the university establishments improves the quality of education and research, and that responsibility in administration is useful, including responsibility for obtaining a part of their resources, in the form of contracts with the production world.

[Question] Are you prepared, for example, to introduce greater competition among the higher educational establishments, and to challenge the concept of the national diploma? Are you prepared to challenge the myth according to which all university diplomas have the same value?

[Answer] I believe that the myth is in the process of being challenged somewhat spontaneously. I agree in principle that the problems thus posed should be examined in depth. It goes without saying that the policy method I am trying to describe is that which involves persuasion and includes the beneficiaries in the decision-making process. It is not a question of imposing anything. All I can say is that I will raise forceful and difficult questions with the parties involved. We are not going to rumble along complacently in administrative and cultural conservatism in the universities.

[Question] And what do you foresee for the other levels?

[Answer] The most serious crisis exists on the secondary level, in particular in the private secondary schools. This is not a reason to minimize what is happening on the primary level or even in the kindergartens. In this last sector, limited budget allocations and a certain lack of understanding on the part of the finance administration are subjecting our nursery schools, which have long been one of the best things in France, to the restrictive and dulling effects of less ambitious norms. There is a danger here which I want to point out, and it is one which I will combat very vigorously.

In the primary schools, the problem of teacher training is probably the main one. This raises the question of a very perceptible difficulty, which is that of the use of time. Let us agree that students, particularly the youngest ones, cannot be subjected to the schedule for an active working life, and that they should benefit from longer vacations. But is it not possible to plan for the teachers to use a part of the time thus made available for their own training? I say this candidly, and it will probably provoke an outcry, but we will not get out of this situation without a real mobilization of the teaching personnel, which also presupposes an improvement in their status and the social respect they deserve.

[Question] Would you agree with the idea of decentralizing the administration of the establishments?

[Answer] A very forceful movement in this direction has already begun. I am seeing it as a mayor. You know what the problem is. It is a matter of the organizational bodies, appointments, the pedagogical rules.

[Question] And programs.

[Answer] Programs, of course. Where the primary and secondary systems are concerned, even before encouraging collective discussion and agreement on profound changes in the system, surely one must begin by augmenting pedagogical experimentation, such as to revive enthusiasm and to encourage pilot programs.

Now I would like to tell you this. I have too readily let the terms of your assessment of the policy pursued since 1981 go without comment. But they seem to me unjust. Recalling that the schools must teach reading, writing and arithmetic was not such a foolish thing. I do not oppose this reminder, anymore than I oppose the idea that a certain authority is needed by the teachers and must be respected. The difficulty does not lie there. The difficulty lies in the need for the educational apparatus, whether on the primary or the secondary level, to incorporate the discovery that equal opportunities on graduation depend upon a differentiated treatment based on the inequality of social and cultural conditions on enrollment. One does not teach children whose parents speak French in the same way as one teaches children whose parents do not. The main difficulty today seems to me to derive from a discussion which presumes the homogeneity of the student body.

Finally, one cannot deal with the question of content, which arises in particular in secondary education, while making abstraction of the context in which we exist. For some years to come, France will have to deal with a substantial unemployment problem, and the problem of incorporating communities which differ in terms of language of origin, religion or even skin color. In this connection, the schools have an important role to play, both to facilitate this integration and to enable the entire country to benefit from the cultural wealth inherent in these communities. Under such conditions, I am not sure that it is best to give each establishment total autonomy in its own little corner. I believe, however, that the mechanism is much too centralized and there is an urgent need for its regional and departmental levels to have much greater flexibility and capacity to adapt than they have today.

[Question] One of the sectors in which the left wing might have a certain amount of room to maneuver is the fiscal system. What do you think of the French tax system? The problem is extraordinarily complex, and any reform in this sector is difficult. Do you think, nonetheless, that this remains a central goal?

[Answer] It is an entirely central issue, but it can only be a long-term goal. Let us then make ourselves clear. I have in my mind a vision of policy according to which, when there are urgent conflicts in the files on the agenda, it is better to begin with the long-term issues, because they develop with every passing day, while in administrative and political practice, there is a desire to have urgent matters always made clear cut. The long-term issues are the most important ones.

Tax reform, as we know, is a myth. Everyone wants it, everyone fears it, and in the end, the status quo is continued, because at least then one knows where one is. What is the heart of the difficulty? The issue of fiscal justice cannot be taken up without immediately being linked with two other imperatives--economic neutrality when it comes to the development of the country, that is to say avoiding the paralysis of production due to taxation, and tolerability. Those who use this term are urging a painless tax. Indirect taxation is much more tolerable than direct taxation, but we have entered into the European Community, and we are headed-- this is entirely necessary--toward the unification of our tax systems. Now since France is already the country with the heaviest added value tax burden, we will be required to effect a transfer from the added value tax to direct taxation, which, it might be said in passing, tremendously complicates the concept of partial taxation of the social system. For, and this is another aspect of the problem, the social security contributions are too much based on wages, and thus too much of a deterrent to employment, and too much of an encouragement to the choice of machines and automation to the detriment of employment. And here we have a major difficulty. The solution involves systematic improvement in the handling of production in the fiscal system, and it is absolutely necessary to reach the point at which enterprises can be established, can develop and produce in almost complete fiscal neutrality, in such a way as to be penalized only on the overall result.

One cannot deal with fiscal reform without relating it to the overall financial balance. Are we in a situation in which the people are willing for the services they need to be collective services, with the result that the compulsory deductions will continue to increase? Or is it the case instead that we are now, for the first time in 3 or 4 centuries, faced with a radical refusal to see the compulsory deductions increased, and the resulting discovery by the public that the services they require need direct financing from them, rather than through taxes?

[Question] That is the question.

[Answer] That is the question, but it is not a fiscal one, far from it. When one approaches it in terms of the health sector, for example, it becomes the following: Will the people agree to accept a much heavier personal financial responsibility for the way in which they receive health care? I think that to a certain extent, the answer should be in the affirmative. There will be no acceptance of health costs by the public unless the need for them is felt by the public in proportion to its effort. But a regulatory system which combats exclusion and rationing based on money must be maintained. It is necessary, on the other hand, to plan for a development in the method of financing many services. I would not, however, include school services therein.

[Question] Do you insist on keeping school services completely in the hands of the state?

[Answer] It is a question here of guaranteeing the future opportunities of France, in industry and technology in particular, and it is a question of guaranteeing the incorporation of all the communities which are to be found on our territory. To do this, it is absolutely essential that the school establishments address themselves, under the best possible conditions, to the people who might not have access to this service through adequate and direct payment for it. But I am persuaded that it is possible to find compensation elsewhere and in many other services, ranging from garbage collection to urban transportation, for example.

[Question] Basically, do you think that our societies have reached the threshold of maximum fiscal pressure?

[Answer] That is a plausible idea. But I will cite the municipalities to you as an example illustrating the kind of difficulty we are encountering. In the national education system, the regular daycare of small children in the primary schools at the end of the afternoon was eliminated, under pressure from the teachers. We gave the people the choice of two solutions. They unanimously chose municipal responsibility, with the resulting increase in the tax burden, over a voluntary cooperative effort by the parents. We are dealing with a society which demands that the public authorities undertake to meet its needs, but which rebels at assuming the financial cost thereof.

[Question] How do you view the intellectual community in this country, which, as you know, has played cat and mouse with the majority, to some extent, since 1981? I ask you this because you are one of the politicians closest to the intellectuals. There are individuals who exert a particular influence on your actions or your thinking. And in what terms do you conceive of your relations with the intellectual sector in the future?

[Answer] There has in fact been a very unfortunate relationship between the socialists and the French intellectual community. The fault must be ascribed, basically, to the political sector. I have followed the discussion on the alleged silence on the part of the intellectuals with discomfort. Keeping silent was indeed the least they could do, because they could not have spoken out without criticizing the instances of awkwardness or the errors made. I am personally more nearly a man who prefers the field to the office. But I recognize my teachers. Men like Charles Bettelheim, Raymond Aron, Claude Levi-Strauss, Fernand Braudel, or in my own discipline, Keynes, Francois Perroux and Alfred Sauvy, have taught me an enormous amount.

In return for this I have had grievances, serious grievances with the intellectual community in general, and that in France in particular. One of the first of these is in a way methodological. My experience of the social, associative and productive life, my experience as a mayor and a minister has taught me that what proves to be important involves team work.

Now at least in France, the intellectual stratum, in the narrowest sense of the term, shows an individualism which makes it ill-adapted to incorporation in a more collective style of work. I will say no more than that.

And then, on the other hand, I deplore the taste of some of the most eminent members of the intellectual community for prophetic criticism, which, unfortunately, the men of action and in the field can hardly take into account. This is because this message from the intellectual community on the subject of French society is rarely expressed in terms of responsibility. I mean by that that a message of social criticism has two types of foundation. The first has to do with a scale of values of an ethical nature, and the second with an analysis of the limitations present in the situation--balance of forces, financial limits, regulatory or jurisdictional constraints, the burden of tradition or habit. If these limitations, requirements or constraints which are binding upon public action are not taken into precise account, the intellectual message of criticism and recommendation is null and void, simply because it cannot be taken into account. Now this is very often what happens with a part of the French intelligentsia, and this adversely affects the dialogue.

[Question] Perhaps we could go on to foreign policy, beginning with Europe. It is becoming more and more clear that Europe has relied on the Franco-German dialogue, as if England did not exist. This dialogue is in fact an unequal one, since Germany has the economic superiority but remains a military and strategic weakling. Do you think that this dialogue, lacking real parity, which constitutes the unspoken axis of French European policy, can remain viable for long?

[Answer] I would not want to fail to say at the beginning that my commitment in political life began with militant Europeanism. It is there that I found friends, in 1948 and 1949, who led me towards socialism, where I felt at home. I have remained a totally committed Europeanist. I am not sure that the "Franco-German dialogue" thesis is a good one. Europe is now a community in which there are more than two countries. It has different motive forces, depending on the problems at issue.

On the other hand, one must understand the German hesitation. Does the future of that country lie in a priority alliance with the United States, at the expense of increasing involvement in a Europe which is asserting its autonomy, or does it on the contrary lie in active participation in the building of an integrated Europe, or again in giving priority to the search for reunification, despite the other two concepts? The choice for the Germans is almost an impossible one, and in order for this not to paralyze the Community, the active and dynamic presence of Italy, Great Britain, France, of course, and all the others, including the Netherlands, is needed.

Finally, let us not forget that there is a very serious mental prejudice in Europe where France is concerned, and it is our fault. Without going back as far as Louis XIV and Napoleon, we can say that with Charles de Gaulle, we provided our neighbors with some terrible lessons. We have retained from the de Gaulle era a certain number of traditions, including one deplorable one--a diplomatic and even technical arrogance which we did not even realize. This is one of the most important discoveries made in Brussels.

[Question] You have anticipated my question. Is it a fact that in order to build Europe, a reassessment of the role of France and a greater concern for balance are needed?

[Answer] Europe, in any case, is doing badly today. To the point that the marking time the Community is doing could end in a kind of dissolution. It is necessary to go back to its origins to understand this situation. Europe has been created inside out. For 45 years, there has been effort, in a widespread flight from politics, to build Europe by putting together technical elements, based on the somewhat naive belief that political authority would necessarily follow. The first idea was to create a European embryo while taking steps to make a war between France and Germany technically impossible--the Coal and Steel Community, and joint management of the war industries. Thirty years later, it was realized that we had put together all of the most archaic and outdated aspects of our industries, and it had brought about not the slightest political power. Then we had the idea of putting defense techniques together without doing the same in diplomacy, and then good sense suggested that this would not work. To catch up, an immediate effort was made to combine atomic energy facilities. This was done--a treaty exists. But as soon as the political authorities in each of the countries realized that there was a stake affecting the future here, they took the heart out of this treaty, and each country resumed civilian nuclear ventures on its own. And finally, to complete all of this, we combined our customs systems, in the image of the German Zollverein, for the Common Market is that and not much else--customs plus strict regulation of domestic competition. But once again, we see that political power, which remains national, has eluded us. Now we are faced with a very weighty institutional apparatus, which is very "daily" in its functions, and which, beyond commercial rules, administers only three things, of which only one has a future--agriculture, plus coal, plus steel--under conditions which limit the autonomy of each of the nations. In this context, moreover, the internationalization of the economies has greatly reduced the extent of the freedom and control the nations have over their own economies.

The crisis and the national demands which accompany it invest the negotiations on the frontiers with still greater acuity, and makes significant transfers of sovereignty extremely difficult, because to speak of transferring sovereignty is to plunge into the unknown. Given this situation, which leaves Europe mute, we must seriously ask ourselves if the time has not come to pose the problem in terms of common sense, that is to say by beginning with transfers of political, and thus executive, power. For yet another aberration has been allowed-- election of the European Parliament by universal suffrage, while depriving it of all the significant activity usually linked with the dignity of universal suffrage.

However, I do not believe that in the current mental world of the Europeans, the transfer of executive authority and the election of the European executive branch by universal suffrage, directly or indirectly, through the channel of the European Parliament, are possible. But we find ourselves in a period in which in some sectors, the acuteness of the technical problems is such that we are perhaps on the threshold of irreversible decisions, a threshold from which another step forward, instead of pushing politics away, would certainly draw it closer. The first threshold is monetary. The ECU, in other words the European accounting unit, is now the third-ranking world currency for long-term loan placements, following the dollar and the yen. In this connection, we are faced with the possibility of taking a relatively modest step in the next few years--creating a common currency. But it is difficult. A confederation of our central banks would be necessary in order to achieve administration by a federal central bank in the American fashion. Inevitably, recourse to political administration will be sought in this connection. The second sector is immigration. If we want to eliminate our internal frontiers, little by little, there will indeed have to be common frontiers. To the extent that we require that our problems be handled with respect for the rights of man within our communities, this presumes that Europe cannot serve as the asylum for all of those who lack jobs elsewhere in the world, of whom there are millions. Consequently, a common policy is needed, and there is an urgent need and a great demand on this point.

The same is the case with tax systems. And the same is probably true of our social protection systems. But I would say above all that beyond these technical elements, it is the capacity of Europe to exist in relation to the outer world which constitutes the determining factor now. Since 1945, the Europeans have been timid. Europe represents the best of what exists in the world. The world looks to Europe, but Europe is unaware of it. The complex of values around which Europe is built is the best, and is worthy of export. To do this, the great problems of identity and security must be raised.

The great current difficulty with regard to the European identity is in particular commercial. It has to do with the capacity of Europe to play its role collectively in world negotiations, despite obvious American disapproval. characterized by a consistent desire preventing Europe from establishing joint positions. This can be seen in connection with all the major international agreements, and it is the key to the next international trade negotiations. As regards the European undertaking, there is something decisive here, but at the same time something which arouses enthusiasm.

[Question] But if one approaches matters from the security angle, one gets back to the German problem.

[Answer] How is the problem posed? On the strategic level, we are in the worst of situations. The East-West tension has its main focal point in Europe. There are five or six times as many conventional weapons aimed at Europe from the Soviet side as in the other direction, and if the strategic nuclear balance between the two great powers has been more or less maintained, the same is not the case with the tactical nuclear balance on the level of the European continent. Two countries in Europe have nuclear forces--Great Britain, but in a very close relationship with the United States, which makes its autonomy of decision problematical, and France, which for its part has total autonomy of decision, but to the extreme of having sanctified what is almost a myth concerning its own neutrality. Italy does not have a nuclear branch, and has only limited conventional power. As a result, it has a very definite propensity to remain closely linked with the American guarantee. As for Germany, it is at a crossroads. It is caught between a very obvious desire to maintain the closest relations with the United States and determination not to annihilate its chances of steadily improving its relations with East Germany. As a result, it is on the strategic level of decision that Germany will never commit itself, particularly since it is hesitant on the point of knowing how far European construction may go. Germany has long been and remains the country which has paid the most for European construction. Today, because of the financial tensions limiting state action in all the developed countries, Germany is rejecting any further European construction for which it is certain to be the main paying agent. It is as a function of this complex of parameters that the strategic problem is posed.

I note with a certain satisfaction that, intellectually, the question has matured quickly, and that everyone agrees on the need to pose it. In the event of a nuclear escalation leading to world war, the American involvement, which is our main guarantee, will not be lacking. There is not the slightest doubt about this, and it is not there that the shoe pinches.

It is in the event of a war in Europe, one in particular due to the development of local tensions--an explosion in Yugoslavia, a new crisis in Berlin, social destabilization internally with foreign support--that the problem exists. If faced with this type of situation, it is clear that Europe cannot base everything on an American decision, and even that it should not. It is also evident that Europe does not have the resources to provide a response.

For France, the responsibility is great. The French strategic choice irritated our European neighbors, allowing them to believe that we would be capable of contemplating the situations I have just mentioned without involving ourselves. We have our nuclear deterrent force, and no one can touch us--tough luck for the others! The grievance of our European partners toward France has to do with the fact that we have invested the essential part of our available resources in the nuclear option, as a result of which we have not been able to develop our conventional forces, since conventional weaponry is very costly, to the level of the demands of the new strategic situation. I have indeed seen the French proposals for taking up the German security problems, but I note that these proposals, insofar as they have been made public, are based on exclusively Franco-French conditions, defined by the French for the presumed greater good of the Germans, but without the agreement of the latter. Now, German anxiety is based on the hypothesis that Germany would be the battlefield. From the German point of view, is any foreseeable conventional pressure on the frontiers should be opposed by either a determination to win back the territory in question quickly, or a sufficiently definite and early commitment to guarantee that an escalation of deterrent action, including nuclear escalation, would be dealt with. And this, where the relative role of tanks and antitank weapons and the nuclear sector are concerned, involves reasoning which differs from that of the French.

Under these conditions, it is neither possible nor desirable to undertake developments based on unilateral decisions by the public authority. The subject is too explosive, the suspicion of French noninvolvement is too great. There is no other solution but to begin by getting strategists and the military to consider the matter together, unofficially and without formal instructions, so that a consensual perception of how to approach the problem, and then resolve it, can be developed in advance.

[Question] In short, you do not envisage any German association in our nuclear defense in the short or medium term?

[Answer] It is rather a French involvement in European security, both conventional and nuclear, that we must in the end discuss. We get back to the American problem, if I may put it thus. Given the current doctrinal status, no president of the French Republic would have credibility if it came to taking the risk of allowing France to be burnt to a crisp in defense of another country. But it is clear that this does not resolve everything. And in the second place, the problem seen as difficult on the strategic level is that of the first levels of escalation.

[Question] I am not sure you are right. It seems to me that the problem involves correcting the unfortunate effects on German national thinking of a relationship with France out of balance due to the lack of military power.

[Answer] No. The problem does not come down to the German awareness. It is above all a question of the balance of forces on the continent. Now the answer to this question is not nuclear alone. It is also conventional, I am certain.

[Question] How do you view the Soviet Union? Do you see therein, as de Gaulle did, the eternal Russia? Do you regard it as a nation like the others, or as an entirely separate reality, to be dealt with as such?

[Answer] Regarding the Soviet Union, I have only commonplaces to offer. De Gaulle himself only noted what was evident. It is indeed still a question of Russia with its eternal strategic propensities, but complicated by an entirely different economic, social and ideological reality--communism, with its messianic message, which is inconsistent with the rights of man and stability in the rest of the world. It is proper, in connection with this double dimension, to try to organize the coexistence of two radically different sociopolitical or ideological systems, in the search for peace through negotiation. It is necessary to realize simultaneously that the substance of the communist world entails a continuing effort to destabilize the other world. Intervention in the social conflicts in the countries in the West, exactly like the use of international terrorism, is a part of the strategy of the Soviet world.

This in no way minimizes the importance of peaceful state-to-state relations. I believe that the Helsinki Accords were necessary and that the slow and laborious recognition of the rights of man toward which the Soviets have been pushed by these documents provides the West with a means of exerting pressure which it would be wrong to neglect. When we speak of increasing economic trade, moreover, we are necessarily speaking of an increase in relations between men, technical first and then scientific and intellectual, from which we can expect certain effects in terms of the opening up of Soviet society. The major changes which will come about in the world of telecommunications thanks to the satellites will pose a difficult problem for the Soviets in this connection. I think that we should even be pleased with the Geneva conference, despite the absence of the Europeans. It is essential that the capacity of the two great powers to communicate be maintained in order to attempt to stabilize matters through negotiation. Now for the past 10 years, we have not even had the certainty that they could talk. All of this should be pursued, but with total clarity not only about the incompatibility of the two systems, which would not prevent their coexistence, but about the permanent and consubstantial propensity of the Soviet system to attack ours from within, as well.

This capacity of the Soviet world to profit for its own expansion from the difficulties or contradictions arising elsewhere on the planet immediately calls for contemplation of the North-South problems, because it is obviously in the Third World that the Soviets hope to see a tip in the balance of world forces to their advantage. It is on this sector that the main outcome of world affairs in the coming 10 or 15 years will depend. And it is here, as a result, that the main responsibility of the European Community lies. For the United States is entirely impervious to the realization of what development in the Third World really is. The United States only sees it in terms of the rules of free trade from which it has profited so greatly. But if free trade is a narcotic for the strong, it is murderous for the weak, and two thirds of the planet is weak. The United States has never been able to separate the handling of an agrarian or a food or a social crisis in the Third World from its interpretation of it in terms of revolutionary insurrection. And it stubbornly refuses to see therein anything but an extension of the East-West conflict.

As a result, we have pushed Cuba into collusion with the Soviet world, whereas this was probably not determined at the very beginning. We have done the same thing with Nicaragua, while I maintain that at least during the first 2 years, the outcome there was not determined either. And when it comes to Mozambique, Angola, Ethiopia, perhaps Tanzania, perhaps Zimbabwe, and Namibia in the future almost certainly, and with regard to the Philippines, who knows--we are at serious risks of obtaining the same results, thanks to the same failings.

Now the European Community has been able to find situational policies in this field which were limited in their economic scope but were bold and significant, whether it be with regard to the regions bordering South Africa or with regard to Central America. The strengthening of its actions in this connection is in my opinion a major factor. France has been the political motive force here. The strengthening of Europe is a necessity. Why? Because it is not possible to get the Americans to change their policy through a benevolent attitude and understanding alone. There must be a balance of forces here, and a stronger ECU confronting the dollar, and there must be a combined effort to deal jointly with a series of problems, beginning with the debt, the negotiation of which must be undertaken under conditions consistent with development. It is in this same spirit that world trade negotiations must be approached. There can be no economic upsurge without protectionism at the beginning. The most convincing example of this, where food development is concerned, is India. But in order to prevent protectionism from spreading and to ensure that it will be reduced when development reaches adequate levels, it is necessary to incorporate it in the international rules, and thus to recognize it as a necessary first step. India has safeguarded its future in terms of food, and probably of politics, by protecting itself. Africa, which opened up, foundered. This point must be included in the stakes at issue in the next world trade negotiations, in connection with the problem of the debt, as well as practical methods of development designed to ensure self-sufficiency in food. We must abandon the belief that because the rich countries produce too much, it is possible to feed the poor countries by means of a transfer.

This is the price of world peace. It presumes a strong Europe, capable of coping with the lack of understanding by the Americans of a policy contrary to what underlies theirs, and antagonistic to their short-term trade interests.

A bold venture! And there is no one but Europe to undertake it. This is why France, as a catalytic country, is faced with entirely unique responsibilities, which it must assume and which will color the next presidential term, whatever its nature.

[Question[You have given a lucid assessment of the potential for rational leftist administration today. But do you believe that it is this type of message that the country expects? What is the statement that you would like to make to the people of France?

[Answer] France is experiencing extreme uncertainty today about itself and about its future. It is questioning the relationship of the younger generation with the older ones, so rapidly are changes occurring. France has difficulty believing that it can assimilate its new immigrants as well as it did the Italians or the Poles in the prewar period. The country is no longer very sure just what the state is doing for it. I think that the primary need of the people of France today is to achieve a certainty that the state understands them, listens to them and serves them, and that the public authority takes their aspirations into account. These aspirations are oriented towards security, but also toward the rediscovery of the grandeur of our country. References to power are no longer made in the discussions about the future of France. Now France finds today that it is one of the mainsprings in the achievement of a European force capable of putting an end to world misunderstandings, East-West and North-South.

The people of France believe that they see this vast adventure opening before them, an adventure which involves rejecting deterioration in all sectors, ensuring upsurge and contributing to giving the world better opportunities for peace and justice, a little light and much hope. It is not the state which can decree this undertaking or which will direct it alone. It will only come about if its urgency is clearly accepted by all, and if all take pride in it.

[Question] What terminology could be used for this lesson in order to give back to the people of France some kind of confidence in their own history and their own destiny?

[Answer] The language of true solidarity in dealing with difficulties, including what this entails in terms of personal responsibility. It is the language of humility, in the face of the complexity of things which we must learn together to decode and master. But it is also the language of grandeur, the language of a country which accepts a mission and a responsibility and will not abandon them.

5157
CSO: 3519/136

GREEKS' QUALITIES, DEFECTS SEEN AFFECTING NATIONAL ISSUES

Nicosia I SIMERINI in Greek 16 Feb 86 p 1

[Text] In a 1938 competition in New York between two important law journals on the characterization of Greeks, Chief Judge Kelly submitted the following essay and won:

- In the court of impartial History, Greeks revealed themselves as beneath circumstances, even though they always hold first place on the intellectual level.

- Greeks are always very clever and arrogant, active and lacking method, zealous of their honor and full of prejudice.

- They are hot blooded, impatient, but also courageous fighters.

- They honored Socrates only to poison him.

- They admired Themistocles only to exile him.

- They brought about 1821 only to jeopardize it.

- They created 1909 only to forget it.

- They extended Greece's borders during the First World War and they almost buried their country.

- Strange creatures, rebellious, curious, half-good, unstable and of uncertain intentions.

- Admire them, pity them, CATEGORIZE them if you want and if you are able to.

It would indeed be difficult to be more descriptive in ADMIRING and PITYING the Greeks. On one historical day they reach the summum of pride and national heroism and get close to the utmost self-sacrifice. On another, they give themselves up to the disintegration of good times, carelessness and unbridled self-interest. They reach the nadir of values, of creation, of progress.

These Greeks, who are a mixture of contradictory qualities and contradictory defects that are impossible to categorize, make miracles at certain times throughout their history and destroy themselves at other times. And all this happens in a climate of simultaneous love and disdain of their very country! While other nations, both developed and underdeveloped, are following their course, each with its own methods and its own way, Greeks are the victims of their own cleverness...

The struggle for survival needs planning, strategy, will, and the intention to succeed. Against these needs, the Greeks of 1986 have displayed an array of amateurism, spasmodic moves, instability and a shopkeeper mentality in low-level politics. These are not the necessary attributes for survival. They only achieve the "shrinkage" of Greeks and their rights...

Judge Kelly's characterization is still valid, especially today... Eleven years have gone by since the double disaster in Cyprus. Eleven years have passed and the Greek nation accepts and tolerates the faits accomplis. It reacts only with slogans and grandiloquent statements. For 11 years it proclaims that "it will not tolerate" that which it already does. In the end, the faits accomplis are set in concrete and Turkish expansionism digests what it has devoured. If the Greeks do not wake up and protect themselves with DEEDS and NATIONAL PLANNING, they will be awakened one morning by new national amputations which are already being hinted at by the Ankara officials!

/7358
CSO: 3521/104

YOUNG SOCIALISTS VIEW LABOR PARTY PLATFORM

Rotterdam NRC HANDELSBLAD in Dutch 5 Mar 86 p 6

[Article by Ward op den Brouw: "Chairman of Young Socialists Criticizes 'Cowardly Debate' Within Party Executive Committee: 'PVDA Executive Committee Looks Like Funeral Parlor'"]

[Text] Amsterdam, 5 Mar--"It is being said that the Labor Party must maintain a closed front in the electoral campaign. As Young Socialists, we do not agree with this. A party in which there is debate going on is much more attractive than a party whose lips are sealed. We are continuing this debate within the party in order to enliven the image of the PVDA." As chairman of the Young Socialists in the PVDA, Michiel Zonneveld wants the party to get away from closed-door politics. If there is a left wing in the PVDA, then Zonneveld is the most obvious exponent of it.

Zonneveld, 23, emphasizes that the Young Socialists (JS) are an independent group of young people up to age 27--numbering 3,000 in all--including members of other progressive parties. They support the PVDA, but this does not mean that they always agree with the party's executive committee. On the contrary, the idealism of the Young Socialists goes so far that "people who have made it in the PVDA" consider the JS a "too radical club." Zonneveld considers it to be a "realistic group" that calls the policy of the PVDA into question and has a fresh outlook on politics.

"The really bad thing," Zonneveld says, "is that a disturbing amount of things are done behind closed doors, and that the new openness with which all those New Leftists rose to the top ranks of the party is slowly disappearing. Thus, a lot is arranged between Joop den Uyl and Max van den Berg in which no one else is involved. I am on the party's executive committee (with an advisory vote, Ed.), and a lot of things are not discussed. In fact, it looks like a funeral parlor, nothing at all is happening!"

Trustees

A number of people on the executive committee must go, the chairman of the JS concludes. He is more exact when he says that "a number of aging New Leftists must be replaced by people who are willing to really get down to work." Zonneveld: "The New Left used to fight the trustee mentality in the PVDA, and now they themselves are all trustees. It is time that they regain some counterbalance."

The Young Socialists offer this in the form of outspoken criticism of the way in which the PVDA is upset by opinions that differ from those of the executive committee. Zonneveld refers to the party congress on 14, 15 and 16 February, where in his opinion debate on nuclear arms was obstructed and there was scarcely an exchange of ideas on the cruise missile position of the party's executive committee, "while you know that 20 percent of the members do not agree with it." Incidentally, he does share the executive committee's position on cruise missiles.

The JS chairman also finds fault with the avoidance of debate on the report by the Wiardi Beckman Foundation, the academic office of the PVDA, in which arguments were made in favor of a third television network. "There was no discussion of this in the executive committee; instead, it was chopped down on behalf of the executive committee, and on behalf of the parliamentary caucus as well. This is the same way in which the proposal by the Biesheuvel Commission on the collective referendum was completely chopped down," Zonneveld says.

In part because of what he describes as "cowardly debates," Zonneveld says that it is difficult to develop alternatives within the PVDA. "I feel that it is not the function of the PVDA executive committee to block all debate, but that it should see to it that there is serious thought at various levels of the party and that the executive committee does not say, 'OK, Red Women, Young Socialists, you want to legally bring about a reduction in the work week? You can introduce an amendment by way of Transvaal-Oosterpark and we'll reject it in a debate at the congress at which you will each have 2 minutes on the floor.' No, I expect the executive committee to give people the opportunity to develop different views with respect to a reduction in the work week and then make an honest decision. That's a much better debate--say, if you let various speakers come forth at the congress--than if you finally have the floor after an hour and a half and Annemarie Grewel says a little testily, 'Please draw to a close' and it's all over."

Despite its dissenting positions, Zonneveld discovered at the congress that the JS is still gaining supporters within the party. "We have gotten a lot of sympathy about things that we have lost. Take the extreme position on NATO, where we think that the Netherlands should not be a member. We knew that we didn't have a chance, but more and more people in the PVDA are against membership." Zonneveld shows enthusiasm. It is true that there there was not a majority in favor of the ideas of the JS, "but you could see that people did appreciate the fact that there was once again a group that dared to play such a role."

Eager

Through all this criticism, some are wondering why the JS wants to be part of the socialist camp. Zonneveld tells why. "Compared to the CDA and the VVD, the PVDA is far better. If you look at the alternative small leftist parties and see the fragmentation there, then it is not a difficult choice for us.

You can be idealistic, but you also have to be able to actualize those ideals. We also choose the PVDA because it is a big party with a good position on the cruise missiles, for example. As far as that is concerned, the PVDA has changed quite a bit."

After nearly two and a half years as chairman of "the opposition in the opposition," Michiel Zonneveld is very eager for a place for the PVDA in the government. We have a good chance, he is convinced, but with which party or parties will we have to join hands in order to be able to govern? Zonneveld: "PVDA-CDA would be mayhem. If the PVDA does join the CDA government, we will not go along with that cabinet. We will then assume a role as a critical factor within a government party." A coalition with the VVD is only possible if that party becomes a centrist party, and he does not see that happening for the time being. And D'66? "They are clearly necessary for a leftist cabinet, but as far as I'm concerned that party can just disappear."

Zonneveld recognizes that over the course of the years many supporters of the New Left have abandoned their ideals. However, the current chairman of the Young Socialists appears to be tenacious. He can indeed understand "people who come into the party's executive committee as rebels and later start thinking differently." Zonneveld: "I don't think that just because you were formerly leftist you have to remain leftist all your life." He makes a joke about it: "I also want all the people who are rightist to turn leftist after a while."

12271
CSO: 3614/73

POLITICAL NORWAY

POLL FINDS MOST REGARD WELFARE STATE OPERATING AS BEFORE

Oslo AFTENPOSTEN in Norwegian 10 Mar 86 p 3

[Article: "No Deterioration of Welfare State"]

[Text] More than half of the approximately 1,000 persons questioned in a nationwide opinion poll said that they had experienced no change in the welfare state during the last 2 or 3 years. One out of four had noticed a deterioration, while somewhat fewer had perceived an improvement in the state of things. So the expression "razing of the welfare state," which has been used, is a misleading term.

The question was asked in this way: "Have you personally experienced an improvement or a deterioration in any aspects of the welfare state during the last 2 or 3 years, or have you personally experienced no change?"

Distribution of Answers

Item	Percentage
Improvement	17
Deterioration	24
No change	55
Don't know	4

If we disregard the opinion of party supporters, it is first and foremost members of the Norwegian Federation of Trade Unions (32 percent), people over 60 years of age (30 percent), and residents of Oslo, Bergen, and Trondheim (30 percent) who believe they have noticed a deterioration in the condition of the welfare state.

An improvement is noted most often by those in the income group 160,000+ kroner (22 percent), those in the age group 30-40 (20 percent), those in southern and western Norway (20 percent), and those who have passed the university entrance examination (20 percent).

In political terms, backers of the Labor Party and the Socialist Left Party stand somewhat apart from the others.

	The Welfare State Has		
Backers of the	Improved (%)	Deteriorated (%)	Not Changed (%)
Labor Party	7	34	56
Progress Party	20	7	68
Conservative Party	35	10	53
Christian People's Party	18	20	49
Center Party	23	15	55
Socialist Left Party	4	37	51

"Which aspects of the welfare state do you yourself feel have become worse?" This question was put to the 24 percent who had perceived a change for the worse. Their answers were distributed thus:

Item	Percentage
Health policy	30
Higher own risk	18
Social policy	16
Hospital sector/queues	15
More expensive to live	15
Housing policy	12
School/education	10
Circumstances of elderly	9
Pension and social security	8
Unemployment	5
More expensive medicines	3
Don't know	2
Other answers	15
Total	158

12327
CSO: 3639/87

PRIME MINISTER INGVAR CARLSSON PROFILED

Stockholm DAGENS NYHETER in Swedish 9 Mar 86 pp 33-34

[Article by Ann-Marie Asheden: "A Man of the Future Tied to His Fate"; first paragraph is DAGENS NYHETER introduction]

[Text] "He was a magician, and we loved him," said one of Olof Palme's old colleagues. There were also those who hated him. The present prime minister, Ingvar Carlson, does not cause such stirring feelings.

"We have a solid, honorable and upright bland personality as prime minister. There will be fewer gilt-edged, boring speeches. But it will be good, in certain respects perhaps better," say those who know Ingvar Carlsson.

It is difficult to find anyone who has anything bad or negative to say about this man, although he has lived for 51 years, many of them close to the seat of power.

"It is really a riddle how one can be so indestructible as Ingvar Carlsson. It is a riddle how he has succeeded in retaining his unpretentiousness, and how he has succeeded in avoiding becoming gradually and stealthily drunk with power. Yes, he will be the first prime minister in history who did not seek power," said several sources who know him well.

How is this possible?

Let us look back.

Boras was his first environment. That was in the 30's and 40's. It was by no means obvious that the youngest son of a warehouseman and a textile worker would go to the high school which was directly opposite the family's flat in the central part of town.

A Fortunate Family

The two older brothers, Rune and Bengt, had gone through high school because of pressure from their teachers. They had gone further because they were exempt from tuition fees, being designated underclass.

Ingvar followed in their footsteps, and when he was 19 he took the examination for a commercial certificate. In addition to studies there was football. He was rather fiery on the football field, and actually could be very rough. Gradually he also became interested in politics. He became the chairman of SSU [Social Democratic Youth of Sweden] in Boras, and a club colleague said that Carlsson very significantly vitalized the political part of the club activities.

"The family was fortunate and stuck together, although father died young. We did not fare badly; we were similar to all the others from our environment," said Ingvar Carlsson's brother Rune.

"But the system was unjust. Whether or not you went to university depended on your father's money. The injustice marked Ingvar."

Rune Carlsson became a Social Democrat and eventually a county council manager in Stockholm.

The middle brother also became a manager, but by another route. He started his own business in textiles, and over the years became rather wealthy and conservative in his social opinions.

The next environment was Lund. Ingvar Carlsson came there to study when he was 22. He was given a dispensation by the university chancellor, since he only had a commercial certificate. He concentrated on getting his Master of Political Science degree quickly, as money was still a problem. He was diligent and earned it in two years instead of the usual four.

Erlander Impressed

Now it was the 50's, and in the academic world of Lund there were two ways to choose from, the classical and the political. Ingvar Carlsson chose the political.

He became chairman of the Social Democratic Student Club. During these years there was a large number of students with similar ideas, who later distinguished themselves in community life. It was a stimulating climate for those interested in politics. The former finance minister Ernst Wigforss also lived in the city, and in earlier days he used to visit the young students and discuss politics with them.

Prime Minister Erlander was also one of the regular guests, and he always had his secretary Olof Palme in tow. During the Prime Minister evenings Erlander was asked questions by the young Ingvar Carlsson. Erlander and Palme were impressed, and the 24-year-old Ingvar Carlsson was invited to come to Stockholm and be the acting secretary to Prime Minister Tage Erlander.

The year was 1958, and Stockholm now became Ingvar Carlsson's environment. He moved there with his wife and childhood sweetheart Ingrid, daughter of a wholesaler in Boras. They moved into a modern apartment in a southern suburb.

After working with Tage Erlander and Olof Palme for two years, something told him to stop. He said farewell to Government House and went to the United States to a university to study national economy. He explained his decision in a newspaper interview:

"I want to study the entirely new type of unemployment they have there, which depends on automation and high rationalization parallel with overproduction of certain consumer goods. This is what we are also risking in the future," said the 26-year-old.

One year later he was back, and immediately became the national chairman of SSU. He travelled around and agitated over 200 days per year. He became acquainted with all the members of SSU from Haparanda to Trelleborg. Today they are commissioners or active in local labor movements.

He is called a "football tactician" and a "party careerist" by the nonsocialists. In 1964 EXPRESSEN compared his agitation with that of nazis and dictators.

But obviously he succeeded in filling youth with enthusiasm, because membership in SSU increased dramatically.

As chairman of SSU in 1963 he gave an interview on the theme "If I Were Prime Minister..."

As prime minister he wants to see to it that there are fewer old men in the Riksdag. He wants to stop the assumption of multiple duties. He wants to give all newlyweds a bridal chest and establish a professorship in sexology. He wants to tear down the class barriers around the Foreign Ministry and open the doors of diplomacy to the people. And finally he wants to open a number of new embassies in Africa and Asia and close the one in South Africa.

It is unclear whether it was his hope of ridding the Riksdag of old men which brought him to that organization shortly thereafter, or whether that would have happened anyway. In any case he became the youngest in the Riksdag (together with Lars Werner) and the representative of the youths.

In 1967 Tage Erlander considered that Carlsson was ripe for new tasks. He became undersecretary in Erlander's office. At that time he actually became the minister for future affairs and problem solver, two roles which have marked his political career since then.

His job with Erlander was to find the answers to the most unpleasant questions at a time when the younger generation was beginning to distance itself from the Social Democratic Party and move to the left: What have we done wrong? What should we do to regain their confidence?

The Erlander epoch ended in 1979, and Ingvar Carlsson's teacher retired as the beloved grandfather of the welfare state.

Own Small Duties

Olof Palme took over. At that time education policies were a problem, with student revolts and university reforms. Palme wanted Carlsson as minister of education.

Since then Olof Palme has entrusted many of the most difficult questions to his loyal, discreet and effective colleague. In 1973 he took over the housing department. During the opposition period he had the hopeless task of bringing the most opposing viewpoints in the party together on Option 2. Before the 1981 Party Congress he led the crisis group which drew up "the economic policy of the third way."

When the Social Democrats returned to Government House in 1982 he became vice prime minister, a deputy and coordinator who was also given several small duties of his own, since Palme believed that one must have his own role in life. Carlsson was given the future, research and later also the environment as his own.

Since 1982 he has formally been number two. Did he expect to take over some day? Did he want to be number one? Was he a careerist who sacrificed himself in the shadow of the dominant, magical and brilliant prime minister as a step on the way to the top?

Ingvar Carlsson's political career is described by those who know him as being somewhat tied to fate. He was politically motivated by the injustice which he himself experienced. As a result he was assigned tasks. He carried these out very well, since he was gifted, quick and stubborn. He was assigned new tasks. They were also well done. And it continued like that until he became prime minister without having to use his elbows.

Last Saturday, when the Swedish people awoke to a changed reality in their small, secure world, the foreign minister and old party fox Sten Andersson was already playing the kingmaker: Carlsson and nobody else should succeed the murdered Olof Palme.

Andersson hurried to the shocked comrades at the party headquarters on Sveavagen. The executive committee was called together as soon as Saturday afternoon, and quickly agreed on Ingvar Carlsson as the new party chairman.

Who is now the new party leader under the surface? This is Ingvar Carlsson, depicted by friends and colleagues:

He is very intelligent and equally quick mentally with responses as was Palme. He is well organized, can sort out the important issues, and think ahead in an argument.

"Therefore he is a skillful debater. It may be possible that he is more skillful than Palme."

He is a good labor leader who knows how to delegate and keep his group together.

"He trusts his fellow workers so that one becomes a little better than he really is," said an official in one of his former departments.

He is a hard worker. He is incorruptible and stubborn in a quiet way. He knows what he wants and what he does not want. He is not afraid to say no, but always does it in a very amiable way.

He is very formal. One can not simply ask Ingvar Carlsson to do something. He wants a formal request, preferably with protocol.

Many Shortcomings

"He has excellent judgment, yes, that is his foremost political resource," pointed out Harry Schein in his memoirs several years ago, and it still is valid.

On his more kindly side is the ability to listen. He is sensitive to sentiments. He never advances himself, not even when he makes a decision.

"He appears to think that others are more interesting than he is," said one who has worked and mixed socially with him in private.

He is a stable and secure person, but not simple.

"Thank God he has many shortcomings. He is a person who can feel doubt. He can doubt himself and wonder if he can manage. And he can doubt and wonder if the life he lives is worth all the sacrifices."

Politics are a necessity and a duty for Ingvar Carlsson. It is necessary to fight against injustice and it is a duty to stand up for the party, which has given him responsibility and confidence.

Sometimes he has indicated to his friends that he really would prefer to go through life with less of a burden. Then he would read books, listen to music, walk in the woods, yes, he even longs for shameful idleness sometimes.

Bearing his burden means for Ingvar Carlsson exercising great restraint. He is a real puritan. His famous bus ride to and from his home in Tyreso is a good example. It is a 40 minute trip. Even though he has worked until late at night, the fatigued Ingvar Carlsson will not succumb to the temptation of taking a taxi or ordering a cabinet car: No, he prefers to take the subway to Skanstull and stand in line waiting for the bus to Tyreso.

Another example is that he usually calls the party treasurer and asks permission before he invites a guest to dinner at the party's expense.

Another example is his plan to move. His daughters have moved out, and Ingvar and Ingrid Carlsson believe that the row house is too large for two. They have taken a place in line at the Tyreso HSB [National Association of Tenants' Savings and Building Societies] in order to purchase a three-roomer in a new area, Gudo.

One way to avoid the burden is joking. Ingvar Carlsson's dry humor is well known among his closest friends. It is partly a kind of cutting which in SSU jargon is called "jabbing" and partly classical practical joking.

Both are difficult for for friends to relate. Clearly it must be Carlsson himself who tells or acts the story--otherwise it is not funny. But in any case here is an example of his jokes:

Getting the Better of Schein

Once Ingvar Carlsson amused himself by calling up friends and acquaintances and with a disguised voice pretended to be someone else. One time Harry Schein was awakened by telephone early Saturday morning. It was a film producer from Hongkong who, speaking in English with a Chinese accent, tried to import violent films into Sweden. Schein responded negatively, and just as he was about to hang up abruptly, Ingvar Carlsson disclosed the joke.

In several small ways the fine fellow Carlsson resembles the ordinary mortal. He likes to speak often about his infirmaties, which caused Sten Andersson to facetiously compare Carlsson with an impatient racehorse.

He has an interest which is almost a passion: He likes to ride the Finland boat. Carlsson knows a lot about Finland and Finnish politics.

"Finland is a foreign policy area where he outshines his predecessor," commented one of his traveling companions.

One passion which Carlsson has kept well hidden from the public is his hatred for the upper class. It is both an instinctive and a moral attitude.

"The limit of Ingvar Carlsson's willingness to cooperate is going to be influenced by his lower class perspective," said some of DAGENS NYHETER's sources.

And he himself has already declared that he certainly will cooperate as far as possible, but that sometimes it is not possible to avoid conflict.

Then what will Ingvar Carlsson be like as prime minister? These days he is always being compared, as if it were a law of nature to compare a predecessor with a successor.

"It will be the same policy. Leaders go, but the party line remains..."

All of DN's sources believe that it will go well. Most have been impressed--and a little surprised--at how quickly Ingvar Carlsson has adapted to his new role.

"He came in directly, like a statesman..."

Many believe that Ingvar Carlsson is more firmly based in Swedish reality than his predecessor, including his bus trips, but mainly because of his origins in the heart of the movement.

"It will now be a new epoch. Ingvar Carlsson is not comparable with Olof Palme. But think of Erlander when he was young. The same long lankness, the same near-sightedness, the same dry humor. Yes, perhaps there is a relationship..."

9287
CSO: 3650/154

CENTER PARTY 'CRISIS COMMISSION' ISSUES REPORT ON PROBLEMS

Stockholm DAGENS NYHETER in Swedish 18 Feb 86 p 8

[Article by Sven Svensson]

[Text] The Center Party belongs in the nonsocialist bloc and should not attempt to establish itself as a party whose role in parliament is to tilt the scales one way or another. This was the conclusion of the crisis commission that analyzed the reasons for the party's major election defeat last fall. The commission is holding its final meeting today, Tuesday.

The conclusions are based on extensive consultations with all Center Party affiliates. A large majority have stated that the party belongs in the nonsocialist bloc. There is no strong desire for the party to establish itself as an independent party in parliament, a so-called third force.

The basic political conclusion is that, to a great extent, the purpose of parliamentary elections is to select a government. Consequently, the Center Party cannot avoid taking a position on the governmental question before a parliamentary election without creating obscurity and uncertainty over the future course of the party.

Way Paved For Soder

The crisis commission's conclusion, which has strong support among the various Center Party affiliates, paved the way for Karin Soder to accept the assignment as new Center Party leader, succeeding Thorbjorn Falldin. Like Falldin, Karin Soder wants the Center Party to be part of the nonsocialist governmental alternative. That rules out other agreements on issues of substance with the Social Democrats.

The Executive Committee of the Center Party will meet late this month to discuss the crisis commission's report. Relatively soon thereafter, Karin Soder is expected to announce the outcome of the party leadership question.

Lack Of Clarity

A lack of clarity in the Center Party message is believed to have contributed to the catastrophic election results. Like many others before them, members of the crisis group decided that the cooperation with KDS (Christian Democratic Party), the Dagmar Agreement on healthcare, the qualifying days for health insurance, and the vague demand to eliminate sales tax on food helped create uncertainty as to where the Center Party stood on important political questions.

A discussion of continued election cooperation with KDS is expected, leading up to the Executive Committee meeting. This discussion could continue until the Center Party Congress in June.

With Karin Soder as the leader of a nonsocialist-oriented Center Party, there remains the question of the composition of the Party Presidium.

Center Party members now believe it is most likely that Olof Johansson will become the new first vice chairman. The cooperation between him and Karin Soder has gone smoothly during the transition period.

Strong Candidate

During the past few days, farmer and member of parliament Karl-Erik Olsson has appeared as a strong candidate for the position of second vice chairman. He is believed to be supported by the groups that precipitated the rapid departure of Thorbjorn Falldin.

For this reason, member of parliament and defense expert Gunnar Bjork of Gavle is seen as a possible crown prince. As a member of the party presidium, he would support Karin Soder's more nonsocialist-oriented policies, which proved to be popular in the recent consultations.

The composition of the new party presidium probably will not be decided before the Party Congress in June. It is not at all certain that the new party presidium proposed by the party's election committee will receive general support. The prestige of the election committee has already been damaged due to its early support for Olof Johansson as the new Center Party leader.

9336
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CENTER PARTY 'FUTURE REPORT' SEEN ASSURING SODER CHAIRMANSHIP

Election Setback Reasons Assessed

Stockholm DAGENS NYHETER in Swedish 26 Feb 86 p 11

[Article by Ake Ekdahl: "Soder Can Stay"]

[Text] The Center Party's furture policy report paves the way for Karin Soder to be the new party chairman in the next elections. Soder feels that enthusiasm is returning to the party, and she will review her decision to leave the party leadership. She has promised to make an announcement to the representative council April 7.

"Now the Center Party can shake off the disappointment of the last election defeat," she said in a commentary welcoming the policy report of the analysis group. "Now the party will have the chance of making a new beginning," she said.

Soder says that the report's conclusions will determine her decision on whether she continues as the party leader. But she still wants to see how the report is received by the party's leading organ and to examine her personal chances of being able to continue. "We all come to points in life when we meditate over whether we want to do something else with the years we have left," she said.

Doubts

This week the party leadership and the representative council will receive no notice of Soder's plans.

The uncertainty Soder feels about her position in the Center Party can be seen in the obviously bitter criticism of the entire party leadership for the four election defeats.

The criticism is unanimous and reveals dissatisfaction with the party's manner of working. Disappointment is expressed that the Center Party was not able to develop a method of lively internal discussion, that there was no room for a debate on ideas, and that internal information was faulty.

This is a serious and strong criticism of those who have had the main responsibility in recent times for the work of the Center Party, the analysis group said in a commentary.

In scarcely concealed dissatisfaction with the previous Center Party leader, Thorbjorn Falldin, the group said that "a party in which the idealistic debate is silent loses both enthusiasm and faith in the future."

Debate on Ideas

Several times the difficulty in identifying issues in the Center Party movement was mentioned. The analysis group calls for leadership in political ideology so that party policies can have full effect.

"Democracy in a party is an exchange between the leadership and the members. It should be characterized by sensitive listening and loyalty. In the Center Party, internal democracy must be improved," the report says.

The report continues with the assertion that a free and open debate before a decision is made together with support for the decision taken are important elements in internal democracy. At the same time, the party leadership is encouraged to work out a new system for party voting, which the group feels has functioned badly. Further, a revised party program after the next election is called for. The party is advised against further campaign cooperation with the Christian Democratic Union in 1988.

Soder seems to have taken to heart the criticism of the party leadership of not having been sensitive to party members. Therefore she is now stressing the importance of a discussion of the work of the analysis group by many members of the Center Party movement so that the proposals can find broad party support.

In 2,300 answers to a questionnaire sent to local committees, many groups said they can no longer recognize the Center Party's ideological profile in the concrete political work of recent years. But no demands were received for other leaders than Falldin to resign.

Criticism of the Christian Democratic Union

Party members throughout the country point to a handful of reasons for the Center Party's election losses. Sixty percent point to cooperation with the Christian Democratic Union, 43 percent to the loading of Barseback 2, 41 percent to the delays in health care, 20 percent to the Dagmar agreement in nursing care, and 21 percent to an obsolete environmental policy.

Falldin's stubborn resistance to participation in three-party manifestations before the last elections seems to have support in the Center Party movement.

In governmental questions, the report says that the Center Party must work toward nonsocialist cooperation, that a moderate government is best for Center

Party concerns, that no opinion should be expressed before priorities are set for three-party cooperation, nor should an opinion be expressed before governmental cooperation with the Social Democrats is established.

The credibility of the Center Party as an environmental party has been hurt. The image of the Center Party as a party that always stands on the side of the farmers must be erased.

Environmental Party

In a program package for a clearer party profile, a more consumer-oriented agricultural policy is proposed. The interests of agriculture are best represented by agriculture's own organizations, the report says.

In its self-criticism, the analysis group said that the Center Party itself has contributed to a false image of the party as always being in conflict between the interests of agriculture and of environmental protection.

"The Center Party has unique possibilities of reaching solutions that can suit both the consumer and the producer," the report said.

The analysis group regards as a riddle the fact that the Center Party voluntarily took upon itself the guilt for what went wrong in the Social Democratic agricultural policy.

The family farm is the slogan for an environment-friendly food production and for better quality foodstuffs.

Small Farmers

The Center Party will therefore work to eliminate the 25 largest animal plants, to introduce establishment control of new factories, stop agriculture from becoming industrialized, improve border control of the import of vegetables.

The demands must be formulated in a new foodstuffs program, the group report to the party leadership said. The program should also include the use of chemicals, questions of price, agriculture's role in environmental protection, and animal husbandry, among other things.

Among the other demands are a general six-hour day in the 1990s, expanded allowance for children, and no to Scan Link.

Center Youth Organization Agrees

Stockholm DAGENS NYHETER in Swedish 26 Feb 86 p 11

[Text] "Now we in the Center Youth Organization can follow the same path as the party. This can be a topnotch sign for the Center Party," the chairman of the Center Youth Organization, Andreas Carlgren, said of the crisis group's report. Carlgren, who was one of the sharpest internal critics, now has jumped into agreement with the "correct Center policy" he thinks the report contains.

The correct and clear policy consists first of all in making decentralization a main issue, that the policy of distribution be stressed, and that the party's environmental conflicts be ironed out, Calgren said.

He is very enthusiastic about the final report of the crisis group and thinks that an ideological third path should be drawn up in the policy.

This is the profile that Carlgren has argued for so strongly.

Paper Analyses Report Conclusions

Stockholm DAGENS NYHETER in Swedish 26 Feb 86 p 2

[Commentary: "New Direction in the Center Party"]

[Text] Center Party's political analysis group, whose report will be dealt with by the party's representative council Thursday and Friday, gets down to business surprisingly quickly in criticism of the departed Thorbjorn Falldin.

The description of how voter confidence in the Center Party broke down begins with the loading of Barseback 2 directly after the 1976 election and continues with the dissolution of the government in 1978 and the formation of the next three-party government in 1979. Then it comes to the tax agreement of 1981. It is Falldin's policy that is criticized, and when the analysis group writes about "uncertainty, incompetence, and the resentment of no clear position beging taken from 1982-85," there is no doubt for whom the criticism is meant.

The gist of the matter seems to be that the decline of the Center Party in the past ten years has been caused primarily by gaps in party leadership, which was trapped by the responsibilities of government and by the spirit of compromise with the Moderate and Liberal parties, and by the sacrifice of the party's own ideas and principles. Concerning the loading of Barseback 2, it is argued that the absence of loading would also have caused the Center Party many political problems. For the rest, the reader has the impression that there was a barrier between the Center Party state council and other party members who could only take peeks at the party program.

Although the analysis group says that some good things were accomplished during the years of the nonsocialist government, the Center Party's realization of the need for following a moderate savings policy was nonexistent for a long time. The group is of the opinion that the representatives of the party organization and the youth organization did the wrong thing in leaving government work, and that the result was a barrier between the idealists and the realists that could not be overcome. The conflict led Center Party members on the local level to be less inclined to defend the government's policy. The inevitable compromises were seen as deviations or backsliding.

But the self-criticism is aimed at the organization's method of operation, not at the content of its policy. It would not have hurt if the analysis group had thought a little about whether the Center Party policy, which yielded such great support in public opinion in the 1970s, could have been carried out. At any rate, it is clear to an outsider that the policy was based too much on catchwords such as "400,000 new jobs," and on symbols such as county leveling of population figures. Such things did not stand up in the government's confrontation with reality.

To make matters worse, the Center Party came into confrontation with the Social Democrats and even distanced itself politically from the Liberal Party and the Moderates. While the Center Party chose to rest on its laurels, the difficulties were already apparent during the change of governments in 1976.

The historical viewpoint is important here, for the analysis group is trying to a great extent to return to the policy of the years of progress. Decentralization is again to become the dominant theme, and this will cause sharper differences with other parties. In contrast to Karin Soder's statement at the start of her three months in the party chairman's post, the analysis group is more categorical in distancing itself from the Moderates. A dominant role for the two middle parties -- the Christian Democratic Party is no longer included -- is the condition for Center Party participation in a nonsocialist government. The door is closed to the Social Democrats: this clearly shows that the Center Party is working for a change in governments.

But nothing more is said in this respect on how the party is to be made more suitable for governance -- or if there is sufficient reason for compromises between the policies of the Center and Liberal parties. There is no certainty that the position of the analysis group for a utopian six-hour working day, for the admittedly awkward expense tax, or for further border protection in agricultural policy will prove to be the best starting point.

The impression is that the Center Party in the next few years will come to be sufficient unto itself, particularly since a tendency in the party seems to be to take advantage of the Social Democrats' internal quarrels on distribution policy. An opposition policy of this type can perhaps break the defeatist mood in the party and even attract a certain audience among the voters. But Karin Soder -- or whoever is elected Center Party leader this summer -- can only wish deep down for a change in government.

9124
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GOVERNMENT SHOULD WARN SUPERPOWERS ON ADDING TO AREA TENSIONS

Stockholm DAGENS NYHETER in Swedish 10 Mar 86 p 2

[Editorial: "Submarines and the Superpower Threat"]

[Text] Olof Palme's successor inherits security policy problems. Whoever violates Swedish waters must have a motive. What the motives can be does not come through especially clearly in the passage of the Defense Committee about "different forms of preparation for crisis and war situations," which for the present is considered to be the most authoritative instruction.

The DAGENS NYHETER debate "Is Sweden Safe" has aired various attempts to explain why the country is the object of Soviet submarine activity (there is general agreement that that is what is taking place).

A common opinion--mostly advanced by officers--is that the explanation must be sought in Soviet military planning for a wartime assault. On the other hand the plans of the West have always included "defending or regaining lost positions, never moving them forward" (Hans von Hofsten). According to another opinion, recently carefully advanced by the security policy researcher Ola Tunander, the "most substantial" explanation for the violations is the offensive forward strategy of the United States; thus they are a Soviet countermeasure, a defensive action.

Sweden is justified in trying to explain its problem in strategic terms. And the Defense Committee has recently done this in a more general way, as has the OB [Supreme Commander of the Swedish Armed Forces] in the Perspective Plan. The North Atlantic and Northern Europe have especially been pointed out as a "difficult to define boundary area" in which the superpowers in a crisis or wartime situation can be expected to fight to advance their positions.

Those who are primarily studying the United States' policies often refer to the thesis of former American Secretary of Defense Harold Brown about "horizontal escalation": A Soviet attack in the Persian Gulf should be met by an American attack somewhere else, for example Northern Europe (Norway was not named). Lately attention has been focused on the disturbing, from a nuclear weapon viewpoint, naval strategy referred to by the head of the American Navy, which describes how at the outbreak of war his ships will seek out the opponent's units and destroy them.

Applied to the situation in the north, this could force the Soviet Union to take a number of steps to defend its territory and its strategic nuclear-armed submarines. Here one can imagine that an advanced threat will be met by an advanced Soviet defense, which would involve Sweden.

The question is how foolish can the American strategy really be, even though a coming exercise in the Pacific is believed to simulate an attack against Soviet bases on the Kamchatka Peninsula. It is a poor example of the reasoning of the American warmakers. Last year both the United States and the Soviet Union conducted very large naval exercises in the North Atlantic and the Norwegian Sea; on the Soviet side the Northern Fleet was augmented by units from the Baltic and Pacific Fleets.

Within NATO they want the Americans to show the flag more often in northern waters. This has appeared in a number of recent statements by Norwegian officers. On the other hand one of them pointed out that Soviet amphibious landing exercises in the north have declined recently, which he interprets as a measure by the Gorbachov regime to save money.

The new American signals also illustrate an old problem: How much of that which resembles dangerous war operations is primarily intended as a warning. In Norway's direction, the American aim could be to ward off the enemy from considering war operations farther south against the sea lines of communications of the West. For example the chief of the Swedish Navy sees the aim of advanced American operations in peacetime to be preventing crises from arising. Sweden has not criticized advanced storage of NATO material.

The technical possibilities for both superpowers to conduct extensive operations in the North Atlantic and Northern Europe have changed. It would benefit them as never before for the Soviets to gain access to Swedish airspace in the opening phase of a conflict. Unfortunately our territory has become more interesting for Moscow. Therefore it is hardly likely that the situation would change if only the United States would refrain from demonstrating its military capability.

The government and the Foreign Ministry have every reason to send warnings to both superpowers not to increase tensions in an area which has been calm during most of the postwar period. But that does not free Sweden from the effort and costs to defend the territory--totally regardless of the motives of the intruder.

9287
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VPK UNDER WERNER QUIETLY SUPPORTING SDP IN RIKSDAG

Despite Economic Policy Disagreement

Stockholm DANGENS NYHETER in Swedish 28 Mar 86 p 10

[Article by Ake Ekdahl]

> [Text] The government has no solution to the new economic problems the country is headed for. Both the nonsocialist and the communist oppositions in the Riksdag say this. Consequently there is a majority against the Social Democratic economic policy before the voting on 12 March.

The risk that the Riksdag will disapprove the government's economic policy and force the government to the edge of a crisis is however broadly speaking nonexistent. The VPK disapproves more than ever of the government's policy of economic restraint and feels itself left in the lurch after the common election campaign against the nonsocialists. But in the decisive vote the VPK will support the government, because the alternative is a nonsocialist policy that it disapproves of even more.

The VPK continues to hope for concessions from the government for the opinion that makes itself known in the country in the form of uproar and revolt.

High Taxes

"This seems hardly troublesome for us, but the situation is of course not new," VPK's Hans Petersson said. He has taken over economic questions after C. H. Hermansson.

"We did hope for a change of heart in the government and among the Social Democrats when the reaction to the budget came," he added.

He expressed a certain satisfaction that the government has met the VPK's demand for higher taxes on stock trades by one percent. The VPK had asked for a six percent raise.

Petersson hopes for further concessions from the government in the ongoing family policy negotiations, tax revision, and this spring's replenishment proposal.

It is a political dilemma for the VPK, Petersson said, first to vote for an economic policy one does not believe in and then to attack this policy in debate. "I believe, however, that an irritated public understands that the alternative in the form of a nonsocialist policy would be even worse."

Reserved

In the general nonsocialist reserve in the Rikdag's finance committee, the government is blamed for not taking advantage of the improvement in business to strengthen the country's economy. The nonsocialists point out that constant tax increases prevent economic growth, that the belt-tightening has to be made even harsher, and that the monopoly and the rules of the public sector should be reduced.

It was with a certain pain that the three nonsocialist parties were able to come together this year, according to the sources that took part in the committee work. In budgetary questions, the Moderates, the Liberal Party, and the Center Party all had reservations that point to deepgoing differences in their attitudes on economic policy.

New Profile

The Center Party's new profile as the little people's party requires concrete proof in work in the Riksdag on community savings, unemployment insurance, and health insurance compensation.

The nonsocialists did agree, however, that the government should be able to take in a further three to four billion kronor to help the communities.

At the same time, the nonsocialists agree on their reservation that the government contribution to the unemployment fund should be limited and subsidies to residents reduced.

Werner Addresses Soviet Audience

Stockholm DAGENS NYHETER in Swedish 28 Feb 86 p 8

[Article by Harald Hamrin]

> [Text] He who believes that what happens in Moscow these days in only "cosmetic" makes a serious mistake. Perhaps, under the best conditions, the Soviet community can again take on a dynamic element that will allow the communist parties around the world to point to the Soviet Untion as an example.

VPK leader Lars Werner's commentary on Soviet party leader Mikhail Gorbachev's address to the 27th party congress Tuesday was summarized and indirect. Werner is in Moscow at the head of a party delegation and will himself speak at a Soviet party meeting Friday.

APK party leader Rolf Hagel and chief editor Lars Engquist of the newspaper, ARBETET, in Malmo, are also in Moscow as official guests of the congress.

Werner's comments in connection with a meeting with Swedish journalists on Thursday were framed in a series of reservations. It was clear that he wants to wait and see what the new Soviet signals will mean in practice. One important significance of the recent Soviet hints is that the Soviets are not seeking a leadership role in the world communist movement.

On one point, however, he was definite. He who believes that Gorbachev's speech Tuesday was just "cosmetic," an attempt to patch things together, makes a very bad mistake, he said.

"There have been very serious and important proposals from the new leadership to break with something that has gone on for a number of years," Werner said, referring to the ideas of economic reform and the struggle against corruption and bureaucracy.

9124
CSO: 3650/149

BRIEFS

VISA RESTRICTIONS ON SOUTH AFRICANS--The government decided Thursday to tighten up the rules concerning issuing visas to South African citizens. In the future the main rule will be that South Africans, whether they are official representatives or private citizens, will not be issued visas for the purpose of entering Sweden. In the past the visa restriction applied to official representatives from South Africa. Visas were granted to tourists. However exceptions will be made in the future too. In addition to opponents of apartheid, journalists and diplomats may be allowed to come to Sweden. [Text] [Stockholm DAGENS NYHETER in Swedish 14 Mar 86 p 8] 6578

CSO: 3650/159

UNEXPECTED COMMAND STAFF CHANGES REFLECT PERSONNEL TENSIONS

Helsinki HUFVUDSTADSBLADET in Swedish 22 Feb 86 p 9

[Article: "Inflamed Relations: Three New Generals--Two Retire Early"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Three colonels were promoted yesterday to major general. That was partly because of unexpected new arrangements which at the same time caused the retirement of two generals before they reached pension age. Indications are that personal relationships within the highest military leadership are not the best.

The chain of events started because the present chief of war economy, Lieutenant General Pentti Vayrynen will retire with a pension on 10 May.

The new occupant of his post will be, surprisingly, Colonel Raimo Penttinen, who is now the signal inspector. At the same time Penttinen was promoted to major general.

With this appointment the present chief of war equipment, Uolevi Anthoni, who is a major general with many years experience in the war economy section of the General Staff was passed over. The major general was thereby passed over in favor of a colonel whose experience is from entirely different sections.

Yesterday Anthoni was granted retirement at his own request. He has already left the service and is on leave awaiting the effective date of his retirement, 1 May.

As the new chief of war equipment the president yesterday named Pentti Kolehmainen, who was also promoted to major general. At present Kolehmainen is performing a special mission within the Ministry of Defense.

The third promotion to general came as a result of the Commander of the North Finland Military District, Major General Erkki Laatikainen requesting early retirement with pension. Laatikainen, who was yesterday granted retirement from 1 August, is said to have tried for a long time to get moved from Uleaborg to Helsinki.

Laatikainen's post is being taken over by the present commander of the Inner Finland Military District, Major General Martti Alatalo. His present post is being taken over in turn by Colonel Seppo Raisanen, who was promoted to Major General as of 1 August. Raisanen is now the head of the Defense Course.

In the president's announcement yesterday Major General Ilkka Halonen was promoted and appointed at the same time as chief of the General Staff. He is now the quartermaster general at the main staff.

It is quite unusual for generals to retire before reaching pension age. It is not, however, entirely unique. At the end of the 1960's Lieutenant General Jorma Jarventaus left the Army after Major General Yrjo Keinonen was named as commander of the defense forces.

Now it appears to be a matter of inflamed relations within the highest defense leadership. Major General Uolevi Anthoni told the Finnish language radio news yesterday that the current situation was caused by the "intrigues" of government office manager Aimo Pajunen.

Anthoni denied that he had requested retirement because of disappointment at having been passed over. Instead it was because of a crisis of confidence, according to him. He also pointed out that he requested retirement before he knew that the choice of a new chief of war economy would be Colonel Penttinen.

According to Anthoni's information, the commander of the defense forces, Jaakko Valtanen first supported Anthony in this appointment process. However he was forced to change his position since Defense Department office manager Aimo Pajunen and chief of the Main Staff Jan Klenberg decided to refuse to accept Anthoni.

General Valtanen told the Finnish language radio news broadcast that investigation had shown that Anthony did not have the qualifications for the post of chief of war economy. He had poor relationships with both the Main Staff and the Ministry of Defense. He added that nobody has any obvious right to any post within the defense leadership.

Raimo Penttinen

Pentti Kolenmainen

Seppo Räisänen

Uolevi Anthoni

Erkki Laatikainen

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CSO:3650/154

PAPER ON GENERAL VALTANEN'S COMMENTS ON CRISIS HANDLING

Helsinki HELSINGIN SANOMAT in Finnish Mar 5 86 p 2

[Editorial: "Crisis-Plagued Defense Forces and Crisis Management"]

[Text] Several times within a short period the commander of the defense forces, General Jaakko Valtanen, drew attention to "Crisis Management, the Conditions for It and the Defense Forces' Capacity to Carry out Their Assigned Duties," which was produced by our defense forces. In the general's opinion one reason for the feeble reaction is the strangeness of crisis management.

This instant analysis may be right. Already the third parliamentary defense committee has mentioned the concept of crisis management. Understanding the concept is not enough, however. What is important is what new elements are required from the defense forces in implementing crisis management in the intermediate area between war and peace.

Every year procurement has lagged a few percent behind plans, which were already stripped. The starting point was low. In addition the prices of weapons that are continually being developed have risen faster than other prices, nor has the effect of inflation always been compensated for. Hence it is irrevelevant to identify some statement acknowledging that "equipment is becoming more expensive" as a demand for stimulating armament.

Confidence in the defense forces - both within the country and outside it - is generally based on the willingness of the citizens to defend the country. Conclusions about the country's defense capability, however, are made primarily on the basis of material defense preparedness. The allusion to a large trained reserve thus has an effect primarily on those who are not military experts.

The situation becomes a real mystery if our own citizens' concept of the capability of defending the country is identified mainly with the willingness of young men to defend the country. And such an idea is only accentuated if increasing the quantity of weapons and equipment and improving their quality are equated in turn with militarism and national fanaticism and are not seen as an indispensable prerequisite of the defense capability demanded of us.

In the 1960's the program aimed at improving the defense forces was allowed to collapse and at this moment we are getting along without an actual parliamentary defense committee. Keeping the defense forces up to date strikingly resembles putting together a jigsaw puzzle in which the following piece is always missing. The present commander in turn once compared the situation to patching a leaky boat.

Despite unemployment the defense forces have not succeeded for example in hiring sufficient civilian workers such as drivers and warehousemen. As equipment becomes more complex the defense forces should also be in a good competitive position in hiring engineers and comparable personnel. This is not the situation, however, regardless of society's prosperity. The situation is clearly in conflict not only with our security requirements but also in light of obligations we have approved.

The crisis management policy of the defense forces commander emphasizes dispassionately the national task in which we participate regardless of political differences in other fields. We do not raise a ruckus about patriotism in the fields of international trade, foreign policy or other material accomplishments. Why then do we not also relate to the defense of the country in the same way of looking after one's normal, common interests?

But in practice what does crisis management mean in the allocation of various branches of service and regional preparedness? Up to this point the concept has only been talked about in general terms, and in the Diet, for example, it has not been dealt with at all. In other respects the Diet should not avoid its responsibility for security policy on economic grounds.

In carrying out his responsibility the defense forces commander will have to continue acting like a traveling salesman, on the basis of whose achievements the "company" stays on its feet. The public easily gains the impression that no one considers it necessary to respond to his proclamation. Then both the immediate future of our defense capability and the security of the citizens easily lie in dark obscurity. Such neglect is difficult to make up for later even with large amounts of money.

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CSO: 3617/82

FORMER DEFENSE MINISTER THUNBORG REPLIES TO BILDT CHARGES

Stockholm SVENSKA DAGBLADET in Swedish 8 Feb 86 p 3

[Article by Anders Thunborg, Ambassador and Former Defense Minister. Carl Bildt's articles appeared on 22 and 24 January]

[Text] I am not really certain what Carl Bildt really is after in his articles that appeared in SVENSKA DAGBLADET on 22 and 24 January.

"We must never give the impression that we are a nation that is on the decline," Bildt writes. This is completely correct. At the same time, his arguments could easily give this impression.

"Today conditions are better than they have been for a long time for creating a new consensus behind our foreign and security policy," Bildt writes. At the same time, however, he continues to harp on the same old personal scandals and suspicions--all the stale old stories that I thought were history.

This is not a good starting point for someone who is really serious about forming a new consensus.

Good Foundation

Bildt aims his criticism at the foreign and security policies of the Social Democratic government from 1982 to 1985. If he were able to remove the blinders of partisan politics and look at the contents of these policies, I believe he would conclude that the period from 1982 to 1985 resulted in a firming up of Swedish security and foreign policy. A good foundation has been laid that can be developed further by those who are really interested.

The Defense Committee's unanimous report on security policy during the spring of 1985 is the most important basis for such a consensus.

The defense agreement among the parties in the spring of 1984 on defense costs between then and the Defense Resolution of 1987, to secure the economic basis of the Defense Resolution of 1982, is another example indicating that agreement can be reached--if the will is there.

All discussion concerning a new Swedish fighter plane after the Viggen ended in the spring of 1983 with the unanimous decision on the JAS program.

Uncertainty Eliminated

We made clear and unambiguous declarations concerning Sweden's policy of neutrality in foreign policy declarations and government explanations, as well as in the strong Swedish protests against Soviet violations of Swedish territorial waters and Swedish air space.

On the level of party politics, the Social Democratic Party Congress of 1984 meant that the ambiguity and uncertainty was eliminated and that the classical security policy line was confirmed. The same applies to the Conservatives, who are now wisely repudiating several dubious standpoints that, only a few years ago, were official Conservative Party policy. Also gone is the neo-Caroline tones about liberating Eastern Europe that were found in the Conservative Party security policy program in 1982.

Strong Effort

Since the submarine intrusions began, we have agreed on a strong effort to expand our submarine defenses. The commander in chief has been granted the authority he asked for and additional resources, as well. One example is the coastal corvette program, which is now underway.

Our determined will to protect our territory has been met with respect in our part of the world. Those who understand what is going on know that hunting submarines is one of the most difficult military operations in existence, particularly in the Baltic Sea. No one can reasonably condemn the Swedish policy because we have been unable to do what no one else has managed to do--to bring a submarine to the surface.

Repeatedly stating that we are experiencing 10 times as many submarine intrusions as we actually have evidence for simply gives an impression of perplexed politicians, incapable officers, and a crisis in confidence, as cabinet secretary Pierre Schori said the other day. I also believe most people realize that diplomatic actions against another country must be based on clear proof or a very strong chain of circumstantial evidence.

Lack Of Historical Perspective

If Carl Bildt is really serious in all his talk about a new consensus, he should concentrate on these issues of substance. It is disturbing when Swedish politicians and officers utilize obscure sources and rumors from abroad in their contributions to the debate in Sweden.

Of course, ignorance and uncertainty can occur in foreign commentaries, but every effort should be made to stop the spread of rumors. It is indefensible for someone who knows better and can do better to add fuel to these rumors. On numerous occasions, Carl Bildt and I have been together on foreign soil to explain and defend Swedish security policies. I know that Carl Bild can do better than what he has shown in his articles.

Carl Bildt's analysis of the policies of the 1970's suffers from a lack of historical perspective. Every event that is taken out of its historical context is lacking in precision. But, Carl Bildt, you are not the only one who has a short political memory.

High Hopes

During the early and mid-seventies we all had high hopes in international detente and disarmament. The SALT I agreement was a reality and we were anticipating the SALT II agreement. Active East-West policies and developments on the German question led to the ESK process and the Helsinki Accord of 1975. The Vietnam War was over and the United States was reducing defense spending. An extraordinary top-level General Assembly--which was well prepared--was arranged in New York in 1978.

Is it so strange, then, that this process had an impact on Swedish thinking, as well? As chairman of the 1974 Committee on National Defense, I know how unanimous we on the committee were about placing high hopes in this process. This spirit also characterized the nonsocialist government from 1976 to 1979, in which Carl Bildt also participated for a time.

Superpower relations worsened in 1979 and 1980. The SALT II agreement was not ratified by the American congress. Then came the Soviet incursion into Afghanistan and the drama surrounding the Euromissiles began in earnest. In addition, there was the hostage incident in Iran, developments in Poland, etc.

As United Nations ambassador, I saw the effort toward multilateral cooperation reach a deadlock. The American arms buildup began as early as 1980, but reached record proportions with the Reagan administration. Western Europe followed suit, while the Soviet Union remained at its high level of armaments.

Becoming Humility

This trend led to distrust and an absence of contact. Negotiations on the superpower level were broken off. A thorough study should be made on what went wrong with the process of detente during the 1970's especially if, as we hope, we are now entering a new period of superpower negotiations and international cooperation.

It is on this background that the internal memorandum from foreign affairs undersecretary Leif Leifland in 1979 must be seen. If, in addition, Bildt remembers that Leifland's warning on the consequences of the erosion of defense spending came after the nonsocialists had been in power an entire term, then I believe a certain amount of Conservative humility would be becoming. The nonsocialists ruled for an additional term and the share of defense in the GNP dropped from 3.1 to 2.8 percent from 1976 to 1982.

Meager Program

I agree with Carl Bildt that a neutral country such as Sweden must always, in word and deed, create respect for its integrity. The rest of the world must respect both our will and our ability to carry out our declared policies, even in the event of war or other difficult situations.

Our policy of neutrality must be supported by a strong defense. This is the basis for what Bildt likes to call the Undenian foreign policy line, complemented by the Anderssonian defense policy.

Carl Bildt speaks of the "preeminence of security questions in foreign policy." I agree with him totally, but in my opinion both his writing of history and his foreign policy "program" are extremely meager.

Masochistic Streak

There is a masochistic streak in the way Carl Bildt and many others discuss the role of defense in security policy. They compare defense spending as a fraction of the GNP in various countries, without saying whether the money is actually used for investments in the military organization or for consumption and wage expenditures.

They point to exotic technologies and look only at the best trained units in other countries. They speak of surprise attacks like a lightning bolt out of the clear blue and forget that something must have gone terribly wrong, politically speaking, if a country in nuclear-age Europe is prepared to go to war.

Thus, there will always be military, but especially political, warnings. The important thing is to be aware of these warnings and react to them.

Schoolboy Enthusiasm

The masochism is also made manifest by the fact that they only discuss increases in defense spending, but not the defense we already have--our defense policy heritage. We are now capable of mobilizing 850,000 men. We must go to far larger countries to find an air force of similar quality.

We have a civil defense that can only be compared to that of Switzerland. We have a top-notch defense industry that produces 75 to 80 percent of the defense material we need.

In addition, many people often forget what an extremely important role the will to defend one's country and national solidarity have played in times of war. Those who were involved in defense issues during the late 1960's and early 1970's never cease to be amazed, and gladdened, by the involvement, knowledge, and desire that are demonstrated by the inductees of today.

Carl Bildt describes Sweden's foreign policy during the 1970's almost as a result of schoolboy enthusiasm. He speaks ironically of our "activist" policies and says that Sweden should know its place.

Important Contribution

Bildt is correct in stating that, in itself, the decibel is not a good unit of measurement in foreign policy. But Swedish neutrality must never mean passivity and isolation. In all situations, we must come to the defense of the principles of international law.

If we silently accept attacks against the principle of the inviolability of boundaries and the principle of national integrity as long as it occurs in other parts of the world--whether it be in Afghanistan, Kampuchea, or Central America--then we erode the strength of our own arguments when we protest against violations of Swedish territory by other countries.

Our efforts at the United Nations, our initiatives in the field of disarmament, our contributions to the ESK process, our assistance to developing countries--all these things show that even a small country can actually make an important contribution and help reconcile differences and mend fences. Carl Bildt simply dismisses all this as a "cascade of foreign policy initiatives."

A Moral Question

Our active foreign policy must be seen against the proper historical background. During the late 1960's our security policy rested on stable ground. The Nordic countries were seen as being on the periphery. World trade expanded, growth was considered a given, and the entire Swedish society was internationalized.

We witnessed the downfall of colonialism. Indignation over the Vietnam War and the brutality of apartheid changed the world view of an entire generation of young people. For most people, it was obvious and something of a moral question that solidarity would not stop at our national boundaries.

Retain The Vision

Of course, we must analyze security policy reality without blinders. This is the great service rendered by the Defense Committee's security policy report. Still, in the midst of austerity, we must retain our vision and, to the utmost of our ability, contribute to detente, social justice, and the general security.

A resolute Swedish neutrality and security policy in a stable Nordic region is the best precondition for retaining our credibility and being able to conduct an active foreign policy in order to continue working to strengthen international law, promote international cooperation and disarmament at the United Nations, and to support multilateral diplomacy.

Swedish foreign and security policy must never be given the harsh, cynical metallic ring found in Bildt's attempts at writing a foreign policy program. Neither cold cynicism nor naive daydreaming deserve any place in Swedish security policy.

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PAPER CRITICIZES LIBERAL PARTY DEFENSE PLAN PROPOSALS

Stockholm SVENSKA DAGBLADET in Swedish 8 Feb 86 p 2

[Editorial: "The Course Is Not Yet Run"]

[Text] All the cards are on the table, now that the Defense Committee has completed its first round of work. The committee is calling on the commander in chief to draw up plans for no fewer than six levels of defense spending for the period of 1987 to 1992. In addition, the Liberal Party wants to know the effects of reducing the number of army units with lower levels of training and of decreasing the number of inductees. In addition, the commander in chief will draw up plans for his own alternative.

There is no objective justification for drawing up six different alternatives for spending that could range from no change in the present level up to an additional 1.4 billion, on average, each year. Considering the cost of modern weapons systems, a cost differential of 200 million kronor is hardly worth a special study. This sum corresponds to the cost of one or two advanced fighter planes.

Instead, it is a question of political cosmetics, especially on the part of the Social Democrats. Examining four levels from no increase up to 600 million annually in additional funds is pure nonsense in the military context. It is not military strength that is at the center of attention, but rather the number of possible political outcomes.

Thus, the abundance of alternatives requested by the Defense Committee should fool no one. In reality, the Defense Committee has set up rather narrow boundaries for the Defense Resolution of 1987. The lowest alternative included in the commander in chief's report for 1985, which would have meant a reduction in defense spending, has now been eliminated. That was expected. No party, other than the Communists, of course, now claims that today's security situation calls for reduced military spending.

The commander in chief's own alternative, which supports a real growth of 3 percent annually, is not advocated by any party representative. At present, the highest level is the 2-percent figure of the Conservative Party which, in terms of hard cash, would mean an increase of about 7 billion over the period covered by the resolution.

Thus, this level has taken on the character of a ceiling for the 1987 resolution. What is more, the political configurations now point to a final result that will be considerably lower than this Conservative Party ceiling. At a press conference on Friday, it appeared that the Liberal Party and the Social Democrats were not particularly far apart.

This is troubling. The last time the Liberal Party and the Social Democrats advocated the same level of defense spending--apart from the four-party agreement in March 1984--was in the spring of 1983. The result was an acute economic crisis within the military.

It could be that the Liberal Party is now somewhat concerned over its own position. The other day, when the Center Party showed its hand, it contained more money and a better plan than that proposed by the Liberal Party.

Proposing the lowest level of all the nonsocialist parties clashes with the overall position of Bengt Westerberg on foreign and security policy issues. If the Liberal Party should agree with the Social Democrats to support the lowest level of spending, it would cause serious damage to the credibility of the Liberals. Sharp words and an eroded defense are not a strong security policy combination.

In the defense debate, SVENSKA DAGBLADET has consistently maintained that, after many years of reductions, the military must now receive a sharp increase in allocations. We have looked at the commander's own alternative--which would simply maintain the present level of our defense--as a floor, rather than a ceiling. From objective considerations, it is easy to advocate additional allocations.

In this context, the preliminary results of the Defense Committee's work is a disappointment. It must be stated, however, that it is moving in the right direction. The parties are now supporting more spending than they were last fall. The government's original directive has now been exceeded by all of the nonsocialist parties and the proposal for reduced spending has been eliminated totally, even by the Social Democrats.

At present, the course has not yet been run. An intensive debate on defense and the widespread call for a stronger defense will not leave the parties unaffected. The defense question is a hot topic and, with the help of all the positive forces, it should be possible to reduce the gap between needs and resources a good bit more.

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NAVY STAFF ISSUES DESCRIPTIONS OF SUPPOSED SOVIET MINISUBS

Stockholm DAGENS NYHETER in Swedish 7 Mar 86 p 6

[Article by Anders Ohman: "Naval Staff Pictures: Here Are the Soviet Minisubmarines"; first paragraph is DAGENS NYHETER introduction]

[Text] Twelve different imaginative types of Soviet minisubmarines are in a collection which the Naval Staff has published for the information of its personnel. Most minisubmarines are entirely unknown by the Swedish public.

The Navy does not tie any of the minisubmarines to the submarine incidents which have occurred in Sweden since 1980, in which minisubmarines are suspected to have been involved.

"The Navy has a definite opinion about the minisubmarines which entered Swedish waters. But we will keep that description for ourselves," said Wyn Enquist, staff editor on the Naval Staff.

The 12 minisubmarine pictures, which were published in the latest issue of MARINNYTT, were obtained from the British RECOGNITION JOURNAL, which is published by the British Ministry of Defence.

The minisubmarines are named 11.3 meter India, Skat, Okeanolog (OSA 3-600), Argus, Tinro 2, 29.2 meter Submersible, Pisces, 13.7 meter Elbrus, Sever 2, Modern Sever, 12.1 India and Atlant 2.

The Soviet minisubmarines Soviet Submersibles are sketched. According to the naval staff there are furthermore pictures of most of the models.

First Time

The minisubmarines India and Elbrus appeared for the first time in the Western world in connection with the search for the black box in the South Korean passenger plane which was shot down by a Soviet fighter plane. Soviet authorities later said that the passenger plane was a spy plane for the United States.

That was the first time that Western naval experts got to see 13.7 meter Elbrus, which can be compared with the Swedish Navy's submarine rescue craft

URF, built to go down and rescue submarine crews who are trapped down to about 400 meters depth.

For a long time the Naval Staff has been collecting information on Soviet minisubmarines. When the British defense newspaper came out with the article the Naval Staff decided to publish it, with the permission of the British authorities.

Important for Witnesses

The Naval Staff does not want to tie any of the minisubmarines with the Swedish submarine incidents.

"One reason why we are keeping important facts to ourselves is so that we can quickly decide whether a submarine witness has seen anything interesting in the water. A small detail can be very revealing," said Wyn Enquist, who illustrated the 1983 report of the Submarine Commission showing what the intruding minisubmarines may have looked like.

Two of the 12 Soviet minisubmarines are especially interesting to the Navy. They are Elbrus and India.

The latest type bears the name of the Soviet submarine class India, which carries minisubmarines on deck. The Soviet Navy says that these minisubmarines are only intended for submarine rescue missions.

Space Technology

The Navy's experts calculate that special hull shapes and hull materials are designed to make the minisubmarines capable of resisting underwater detonations of depth charges and mines. They are assumed to have machinery and technology independent of air, designed from their experience in space. This space technology multiplies the endurance of the minisubmarines several fold compared with older more conventional technology.

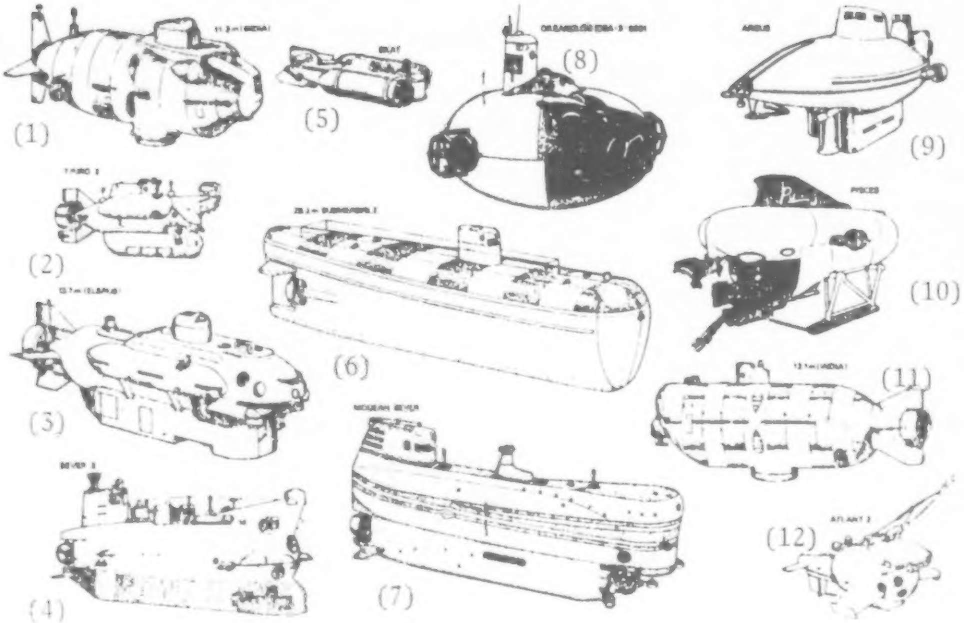
Minisubmarines are assumed to have instruments such as hydrophones, video cameras with intensified lighting and other things. Frogmen or divers are on board. They can move around outside the minisubmarine using smaller diving craft.

All the Facts

More facts are published about four of the Soviet minisubmarines. Pisces VII was built in Canada in 1975 and has supports under the hull resembling skis. Length 5.82 meters, beam 3.0 meters, height 3.64 meters, crew 1-3 men.

Sever 2 was built in the Soviet Union in 1969, crew 3-5 men, length 12.0 meters, beam 2.5 meters, height 4.0 meters.

India is 12.1 meters long with 4.2 meters beam. OSA-600, which is egg-shaped, has a diameter of 5.0 meters and a crew of 3.



Caption: This is what Soviet minisubmarines look like according to the newspaper of the Naval Staff, MARINNYTT. They are twelve more or less imaginative variations of minicraft.

Key:

1. 11.3 meter India
2. Tinroz
3. 13.7 meter Elbrus
4. Sever 2
5. Skat
6. 29.2 Submersible
7. Modern Sever
8. Okeanolog (OSA 3-600)
9. Argus
10. Pisces
11. 12.1 meter India
12. Atlant 2

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BRIEFS

SUCCESSFUL AIR RAID ALARM EXERCISE--"Everything went perfectly," the head of the eastern civil defense district, Alex Ryden, told the TT news agency with reference to the air raid alert exercise that was carried out in central Sweden on Monday. Some 50 command centers were manned by around 250 civil defense workers to test routines set up for dealing with enemy air raids. It was the biggest air raid exercise ever conducted in Sweden. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 4 Mar 86 p 6] 6578

CSO: 3650/159

WORLDWIDE SHIPBUILDING CRISIS IMPACT NOTED

Stockholm DAGENS NYHETER in Swedish 16 Feb 86 p 11

[Article by Stefan Lundberg]

[Text] Helsinki--Finnish shipyards are now standing at the edge of an abyss. This is the unanimous opinion of the industry. Within the next few years, one or more of the nine active shipyards will be closed.

Within 2 or 3 years the shipbuilding industry, which once employed a maximum of 18,000 workers, will employ no more than 10,000 people.

Just over 1 year ago, executive vice president Martin Saarikangas of the large Helsinki shipyard Wartsila was able to brag about how well the Finnish shipbuilding industry was doing, despite the crisis in the Western World.

At that time, everything still looked hopeful.

Signs On Horizon

Today the optimism has changed to almost endless despair. The leaders of Finnish shipbuilding companies have placed their hope in trade with the Soviet Union, but not even that traditional pillar of support is now giving confidence to Finnish shipbuilders.

Again and again, shipbuilders are returning empty-handed from their trips to Moscow.

"Our crisis cannot be compared to that of Sweden or West Germany, but perhaps we are seeing the same signs here that were seen there during the seventies, unfortunately," said Tapio Forsgren, executive vice president of Finland's Shipbuilding Industry Association.

The Finnish shipbuilders have been outdone by their Western counterparts, whose governments have given them large subsidies. Finland is the only country in Europe where shipbuilding is not subsidized by the state. So far, the shipbuilders have been thankful for that. They believe it would kill the shipbuilding industry if governments stepped in with their subsidies.

"The shipbuilders would hardly turn down the money now," Forsgren said, but he also pointed to unfavorable experiences with subsidies in Sweden and in the EC countries.

"The Western European governments subsidize the shipbuilding industry for military reasons," Forsgren said.

Competition From East

The Finns are being hit by something else, however, in addition to the competition from subsidized Western shipbuilders. Eastern Bloc exports to the Soviet Union have increased significantly and the large series of ships Finland could count on selling to the Soviet Union in the past are now being made by Yugoslavian and East German shipyards.

Perhaps the most severe recent blow to the Finnish shipbuilding industry has been from the East. The domestic SF Line recently ordered two passenger ships from Yugoslavia. That country's enormous need for Western currency pushed down the price.

No country can produce ships for that price, according to Forsgren. He added that only a stupid country would place orders abroad in today's situation.

"The rest of the world is laughing at us for this."

Shipbuilders have called on the government to subsidize the shipping companies in cases such as this, in order to cover losses they may incur by ordering their ships here at home.

Trade with the Soviet Union has become more difficult, due to the drop in oil prices. It is becoming more and more difficult for Finland to find new products to import from the Soviet Union as payment for the vessels.

Forsgren also pointed out that the nature of ship sales to the Soviet Union has changed in recent years. The earlier long and labor-intensive series of vessels have now been replaced with advanced ships with high technology that demands more engineering than welding work. That has affected employment levels at shipyards.

Icebreakers

Of course, Finnish shipbuilders are also feeling the effects of competition from the "new" shipbuilding countries such as South Korea, Taiwan, India, and Brazil. The Japanese, who have also been frightened by the competition from these countries, have begun to produce more sophisticated ships, thereby becoming even a greater threat to the Finnish shipbuilding industry, which is known for its advanced special products.

Even icebreakers, which have long been Finland's trump card, are no longer safe. The Soviet Union has now ordered the foresection for an icebreaker from West Germany, which is yet another cause of concern for Wartsila and the state-owned Valmet Shipyard.

Forsgren believes it is highly unlikely that the four Finnish companies in the industry, i.e. Wartsila, Valmet, Rauma-Repola, and Hollming, would sit down at the negotiating table and reach an agreement as to which company should take care of which sector in the future.

"They all have their own 'territory' already, but in today's situation they can count on domestic competition, as well," Forsgren said.

"Darwin's Law applies in this industry--only the strong survive."

"It is clear that one or more shipbuilders will go out of business during the next 2 or 3 years. Their capacity will be reduced sharply and, in the best case, the number of workers will be about 10,000 or fewer."

Shipbuilders now employ 14,000 workers in Finland.

'No' To Wartsila From Poland

The Finnish shipbuilder Wartsila will not be permitted to take over one of the four ferries the Stena Line ordered from Poland. Last Friday the Poles rejected the conditions for permitting construction to be completed in Finland. If Wartsila had taken over construction of the ship, the Poles would have been responsible for delivering all the material to Finland on time. Otherwise, Wartsila would have had the right to purchase material in the West and the added costs would have been deducted from Stena's payments to the Polish shipbuilder. After several months of negotiations, the Poles have now rejected the conditions. The ferry was to have been delivered in April 1982. The Poles still want to complete construction of the vessel and are now aiming at a delivery date in late 1987. Stena has brought charges against the Polish shipyard before an international court in Hamburg.

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SCHOLARS DISPUTE CLAIM NORWAY HAS LITTLE IMPACT ON OIL PRICE

Oslo AFTENPOSTEN in Norwegian 7 Mar 86 p 20

[Op Ed Article by Professor Finn R. Forsund and Researcher Jon Vislie, Institute for Economics, University of Oslo: "Quantity of Norwegian Production Affects Price of Oil"]

[Text] In the course of a few hectic weeks, the world has experienced a rather sharp decline in the price of oil on the world market. The reason is that oil production and therefore the supply of crude oil from countries both inside and outside OPEC have risen quite significantly. A question has been raised in this connection: to what extent has the increase in Norway's oil production affected the fall in prices? The government has claimed that regardless of how much oil we decide to extract from the Norwegian continental shelf it will be little more than the proverbial drop in the ocean. We are not certain that this is true.

The argument that one is small and exerts no influence only holds true if the world's oil market can be characterized as a market of nearly perfect competition with many buyers and sellers. But the market for crude oil is a far more complicated market, where OPEC normally acts as price leader while an unorganized wing of competitors--to which it must be said that Norway belongs--adjusts to the price OPEC has settled on. At the same time, every participant in a cartel, whose success rests on cooperation to limit production, will constantly be tempted to sell more than its quota because the price is high. (Norwegian oil production is guided by precisely the same motive.) Saudi Arabia, the leader of OPEC, has tried all along to limit total oil production in order to keep the price of oil high. When disagreements arise within OPEC and the cartel begins to crack as a result, strategic considerations will dominate to a much greater degree. In our opinion, this is precisely what has happened in recent times. Even though Norway's share of the market is just slightly more than 1 percent, it is not this figure alone which is of interest, but how quickly it grows. Oil production in Norway has now increased so much that our share of the market has actually expanded in recent times, and this is the fact on which we must base our understanding of OPEC's conduct. Last autumn, OPEC leveled a threat at the Norwegian oil authorities: if Norway did not reduce its production of oil, OPEC would increase its own output and--as we have seen--the price of oil would consequently drop. (Saudi Arabia has in fact recently doubled its oil production, but still only one-third of capacity has been exploited.) This threat was clearly understood as unreliable by persons closely connected to the government. The argument ran thus: OPEC itself would lose so much through a price cut that the threat would not have been made if OPEC could land in a situation where the threat would be carried out. Without overindulging in hindsight, we must be permitted to say that this attitude reflects an inadequate knowledge of OPEC's internal affairs. But perhaps the most important thing is not the actual reliability of OPEC's threat but the possible lack of trustworthiness displayed by Kare Kristiansen to the OPEC leaders. Early in the game, after insistent requests by OPEC, Kristiansen asserted that Norway would not increase its rate of output. Later on, precisely the opposite occurred. What such a circumvention of the truth may have provoked would, of course, be speculation, but in a strategic contest like the one we have recently experienced, it is never an advantage to be caught with your pants down. The government's claim that the increase in Norway's oil production cannot be responsible for the drop in oil prices must therefore be taken with a large grain of salt.

Consequences for Sale of Gas

There is, however, another aspect of the oil price drop which maybe deserves greater attention than speculation about who must bear the "blame" for the price fall, namely, how significant the oil price drop will be for Norway's chances of signing contracts for future deliveries of natural gas. Since gas and oil are competitive items of consumption, a lower oil price will make potential buyers less inclined, at this stage, to enter into long-term contracts for gas. In anticipation of the inevitable decline in the price of gas, buyers will be motivated to postpone entering into such contracts. (Natural gas is not sold on traditional markets but as the result of bilateral negotiations.)

We now know that gas deposits make up roughly two-thirds of the total oil and gas reserves in the North Sea. In a few years we will have to depend more or less on the revenue we receive from the sale of natural gas, because oil operations will gradually be reduced. Since the gas contracts which are being negotiated today will not go into effect for 10-15 years, Norway could risk the loss of substantial revenue if such contracts are not concluded.

It is no use for Norwegian authorities to stick their heads in the sand, ostrich style, and pretend that the volume of our oil production has no impact on oil prices. We must pose questions about which strategy Norway now wishes to pursue. There are two such strategies, a high-price strategy and a low-price strategy. In a high-price strategy, Norway must give honest signals of quantitative reductions in order to establish an authentic relationship with OPEC. (Such an authentic signal would be to beat England to the punch by reducing oil output.) In a low-price strategy, Norway's motive must be OPEC's collapse, so as to satisfy the major net importers of oil like West Germany and Japan. The choice of strategy must be made on the basis of what will serve Norway best over the long haul, especially with respect to our future revenue from gas sales. Lack of a strategy will result in our falling between two stools.

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CENTRAL BANK REINFORCES WARNINGS ON OIL PRICE EFFECTS

Oslo AFTENPOSTEN in Norwegian 7 Mar 86 p 39

[Article: "Norway Will Have Deficit of 20 Billion; Oil Price at 100 Kroner Per Barrel"]

[Text] The Bank of Norway issues stronger and stronger warnings about the way the Norwegian economy is developing. With an oil price of 100 kroner per barrel, we will have a foreign trade deficit of 20 billion kroner this year, a considerable dropoff from last year's trade surplus of 26 billion kroner. The state budget will also be drawn up with a deficit for the first time since 1978, and estimates offered by the bank in the next issue of PENGER OG KREDITT show that the deficit may be between 5 and 10 billion kroner.

The bank also points out that 1986 will be characterized by continued strong pressure on the Norwegian economy. The bank's leading indicator of future trends points toward stagnation on account of foreign trade. It is too early to say, however, whether a turnaround will occur. The short-term summarizing indicator shows continued strong growth in the Norwegian economy.

"Even if we have a market turnaround, the pressure on the Norwegian economy will ease only slightly during the second half of the year. The wage trend during the fourth quarter of 1985 also shows that our expenditures per produced unit in industry increased by 0.5 percent from 1984 to 1985, and this is a stronger setback than previously expected," said central bank president Hermod Skanland at a press conference in connection with the upcoming issue of PENGER OG KREDITT.

The Bank of Norway calculates that the increase in prices may be 0.5 percent lower than previously assumed, depending on the retrenchment measures which the government has warned of. The central bank is now counting on a price increase of 5.0-5.5 percent, but we will continue to have a stronger price increase than our competitors. Skanland repeated his warnings at a meeting of the council of the Bank of Norway and stressed the need for a tighter fiscal policy and for changes in the tax system and in capital-transfer arrangements.

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STUDY INDICATES POPULATION TO DECLINE AFTER 2010

Oslo AFTENPOSTEN in Norwegian 7 Mar 86 p 14

[Article by Elisabeth Sem Christensen: "Population Figures Up to Year 2050: Most Norwegians in 2010"]

[Text] Norway will reach its population peak in the year 2010. In all likelihood, there will then be 4,346,000 of us Norwegians, believe the researchers behind the latest demographic survey from the Central Statistical Bureau. After that, the population figure will gradually dwindle. But the decline would have begun earlier and more dramatically if it had not been for immigration. The researchers estimate that 4,000 new immigrants from all corners of the world will come to Norway each year.

For the first time, the Central Statistical Bureau has gone out and estimated the population all the way up until the year 2050. Then there will probably be 3.9 million of us, or two hundred thousand fewer than today, says senior consulant Arne Rideng. It is the present day's low birthrate, 1.66 children per woman on the average, which "transmits" itself to the next generation in such a way that there will be fewer women to give birth.

But the contribution to the population varies a great deal from one part of the country to the next. In the Agder counties and in Rogaland the women give birth to an average of 2.1 children, while Oslo's contribution is 1.4 children per woman.

It is first and foremost people in "midlife" who will leave their mark on the Norwegian population in the years to come. Those between 25 and 55 years of age will be most visible, even though the number of retirees will also increase slightly. But this tendency will soon level off, and by the first decade of the next century we will get a reinforced wave of elderly people. That is when the postwar children from the big baby boom finally become adults.

"According to our calculations, those between 50 and 70 years of age will constitute the largest demographic group in the year 2025. This has never happened before in history," says Rideng.

Yet during the next 20 years we will notice an increase in the number of "very elderly," those over 80 years of age. There were 140,000 Norwegians who had reached this impressive age in 1985. In the year 2005, there will probably be 216,000 persons who have celebrated their 80th birthday!

The figures from the Central Statistical Bureau tell us that two out of three persons over 80 years of age are women despite the fact that 106 boys are born for every 100 girls. But the majority of retirees are females. Today a newborn girl can count on living until she is 79.5 years of age, a boy until he is 72.7.

Population Down in North

1985 was the second consecutive year to show a catastrophic decline in population in northern Norway. The figures as of 1 October were available on Wednesday in the Central Statistical Bureau, and they make somber reading for northern Norwegian planners and politicians, reports HARSTAD TIDENDE.

In 1984, there was an outcry when the population in that part of the country decreased for the first time in several years. The 1985 figures now show that the negative trend has not been reversed. On the contrary, the decline appears to be intensifying.

The preliminary figures indicate that 242,722 persons lived in northern Norway on 1 October of last year, and this is a decrease of 1,312 persons from 1 October 1984. With 146,739 persons, Troms showed a decline of 299, and in Finnmark the figure was reduced by 1,124 to 75,762 persons. Altogether, the preliminary statistics indicate a population decline of 2,735 persons.

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ECONOMIC SWEDEN

EXPORTS TO SOUTH AFRICA DECLINED IN 1985

Stockholm SVENSKA DAGBLADET in Swedish 7 Mar 86 p 33

[Article by Ewa Stenberg]

[Text] Sweden's trade with South Africa is declining. Exports fell sharply in 1985 compared to 1984, but imports rose slightly.

New figures from the Central Bureau of Statistics show that in 1985 Sweden sold goods worth 981 million kronor to South Africa, a decline of 38 percent compared to 1984. At the same time imports rose from 338 million kronor in 1984 to 412 million in 1985, an increase of 6.2 percent. Thus South Africa accounts for 0.17 percent of our total imports and sales to that country account for 0.38 percent of our total exports. The export percentage is the lowest it has been in this decade.

Although Sweden's trade with South Africa involves only small fractions, it is very controversial. A debate raged in 1985 over conditions in South Africa and Sweden's economic ties with that country. There has been a consumer boycott.

Lars Hult of the Committee to Isolate South Africa stressed the political pressure as one of the reasons for the decline in trade:

"It looks as if our pressure and the government's recommendation to stop trading with South Africa have produced results. At the same time we must not forget that the decline of the South African rand made imports cheaper, so that in terms of volume imports may have increased more than 6.2 percent," he said.

Olle Wanerby of SKF, one of the Swedish firms exporting goods to South Africa, stressed other factors:

"SKF's exports have also declined by around 38 percent. Most of the decline can be attributed to the declining South African economy and the effects of changes in the exchange rate."

The biggest product groups Sweden exports to South Africa are machinery and transportation equipment, steel, chemical products and paper products.

The biggest import items are food and agricultural products, iron, steel, metals and ore. The food group will probably disappear from the statistics following the ban on importing agricultural products which went into effect on 1 January. Sweden's dependence on South African metals is being studied by the Swedish Board of Commerce and this is the group that accounted for the import increase in 1985. Ore imports rose 350 percent to a value of 36 million kronor. Imports of iron, steel and ferroalloys rose 26 percent to 139 million kronor.

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BRIEFS

RECORD LARGE TRADE SURPLUS--There was a record surplus in Swedish foreign trade, 3.5 billion kronor in the month of February, according to the preliminary figures from the Central Bureau of Statistics. Last February the surplus was 0.5 billion kronor for that month and 2 years ago there was a surplus of 3.0 billion kronor. Exports in February added up to 21.2 billion kronor (a gain of 9 percent) while imports declined by 7 percent to 17.7 billion kronor. According to the Central Bureau of Statistics the main reason for the big decline in imports was falling oil prices along with a reduction of the amount of oil imported. So far this year foreign trade has produced a surplus of 4.8 billion kronor compared to a surplus of 0.6 billion kronor last year. [Text] [Stockholm DAGENS NYHETER in Swedish 15 Mar 86 p 3] 6578

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STATOIL INCOME IN 1985 MAY REMAIN RECORD FOR LONG TIME

Oslo AFTENPOSTEN in Norwegian 7 Mar 86 p 32

[Article by Morten Woldsdal: "Statoil Sales Over 50 Billion; 1985 May Stand as Record Year"]

[Text] Stavanger, 6 March--Statoil has become the first Norwegian enterprise to surpass 50 billion kroner in annual sales. Last year was a new record year for the state oil company, which increased its working revenue by more than 44 percent and nearly doubled its profits over 1984. The dollar exchange rate and the low price of oil mean, however, that 1985 may stand as Statoil's record year for many years to come. A significant drop in revenue is expected as early as 1986. The drop may be as much as 15 billion kroner.

The working revenue of the state oil company reached 51.4 billion kroner last year, as opposed to 35.6 billion in 1984. Statoil thereby fortified its position as Norway's unquestionably largest enterprise, with 10 billion kroner more in sales than number two, Norsk Hydro. The company's sales have doubled since 1983.

Investments declined from 14.2 billion kroner in 1984 to 7.7 billion last year. This is due to the fact that the State--through its direct involvement in oil operations--has taken over a share of the investments.

Profits Doubled

Profits before the annual settlement of accounts were 15.2 billion kroner in 1985, while the figure was 7.7 billion during the year prior to that. Profits were 13 billion before taxes, as compared with 6.8 billion in 1984. Last year Statoil paid 83.9 percent in taxes, which corresponds to 11 billion kroner, as opposed to 5.7 billion in 1984.

Last year, according to commercial director Jacob Oxnevad, Statoil paid just as much in taxes as all personal taxpayers paid in income and property taxes. The company's tax payments have nearly doubled since 1984. During the last 4 years, Statoil has paid 26 billion kroner in taxes, which corresponds to 6,000 kroner per inhabitant of Norway.

Statoil's net profit was 2.2 billion kroner, which is an increase of over 1 billion. Dividends to the State are 1.1 billion kroner, which corresponds to

31 percent. Oxnevad said at a press conference in Stavanger that in 4 years Statoil has paid out to the State in dividends a sum at least as large as the total share capital in the company at 2.9 billion kroner.

Exports

Jacob Oxnevad said that Statoil is first and foremost an export firm. Three quarters of its revenue--or 38 billion kroner--comes from sales to foreign countries. Statoil's supply of crude oil was approximately 16 million tons last year, while gas production was close to 800 million cubic meters.

The main reason for Statoil's record figure is the high production of crude oil in the Statfjord field, combined with the average high dollar exchange rate in 1985. Oil production was up 20 percent over the 1984 figures. Also included in the balance sheet for last year is the activity of Swedish Esso, which Statoil formally overtook just prior to July of last year. Roughly 7 billion of the 51.4 billion kroner in sales stem from operations in Sweden. Swedish Esso had a profit of about 200 million kroner before the annual settlement of accounts.

In light of a sinking dollar exchange rate and modification of the tax rules, Statoil has included in its revenue 1.5 billion kroner in unrealized currency profits on long-term loans.

Today the Statoil concern has more than 7,000 employees, approximately 1,200 of whom are in Sweden.

"We are extremely pleased. 1985 will stand as a very, very good year in Statoil's history," said Oxnevad. Neither he nor administrative director Arve Johnsen wanted to discuss further the prospects for 1986 in view of the recent decline in the price of oil and the dollar exchange rate. Arve Johnsen was only willing to say here that "1986 will not be as good as 1985."

Lower Sales

AFTENPOSTEN has learned that Statoil assumes this year's sales could be up to 15 billion kroner lower than last year's. For every dollar the price of oil declines, Statoil's revenue is reduced by roughly a billion kroner on a yearly basis. And if the dollar exchange rate dwindles by one krone, revenue sinks by 3-5 billion kroner a year.

An average price of $27.50-28.00 per barrel of oil and a dollar exchange rate of approximately 8.60 kroner lie behind last year's record sales of 51.4 billion kroner. If the average oil price in 1986 turns out to be $17-18 a barrel, it would mean a revenue drop of 10 billion kroner over last year. There is much to suggest that this year's oil price will be even lower than that. Should the dollar exchange rate settle at an average of 7 kroner for the rest of the year, Statoil's revenue would decrease by an additional 5-6 billion kroner, measured against last year. Altogether, this yields a revenue decline somewhere on the order of 15 billion kroner.

On the plus side, however, is the fact that Statoil counts on increased production of crude oil this year, from 16 million tons last year to 18-19 million in 1986. The main reason for this is that the Statfjord C-platform now operates year-round, as opposed to just half a year in 1985. This year Statoil will likewise receive an entire year's revenue from the Statpipe system. The Heimdal and Ula fields are also entered on the credit side, in contrast to last year.

But despite all this, Statoil may once again settle at the 30 billion figure for sales if the price of oil and the exchange rate of the dollar remain low for the rest of the year.

No Surprise

Arve Johnsen said that the outlook for 1986 will have no effect on the Statoil organization in the short run. He did not want to say anything about what would happen in the years after 1986. "There is no use trying to guess how the oil market will develop," he said. Johnsen emphasized, however, that the company has prepared itself for the drop in oil prices. "This didn't hit us like a bolt out of the blue," he said. But the Statoil chief admitted that today's oil prices were probably lower than anyone had expected.

To the question of whether the revenue shortfall will affect the company's exploratory activity, he answers: "That would be the same as eating up the seed potatoes." Johnsen pointed out that it will be a long time before any exploratory activity occurs. However, he did not rule out that in the days ahead it would be hard to get other oil companies to participate in new drillings. According to him, the first signals have already been received from cooperative society members in licenses for which Statoil is the operator. He reiterated that in this way "the wheat would be separated from the chaff" in future Norwegian oil activity.

Jacob Oxnevad informed us that during the next 5 years Statoil will more than double its crude oil production to over 30 million tons a year. He warned that the company would concentrate to a greater and greater degree on selling crude oil outside Europe. The biggest increase in the sale of crude oil will be outside Europe, particularly in the United States. He did not rule out that the company might make new "Esso purchases" abroad, but it would probably happen in Europe and hardly, for example, in the United States.

As Statoil's quantity of oil products increases, the company may also sell more products to other oil companies instead of selling them through its own marketing apparatus.

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STATOIL STUDY: ELECTRIC POWER GENERATION FROM GAS FEASIBLE

Oslo AFTENPOSTEN in Norwegian 7 Mar 86 p 50

[Article: "Electric Power From Haltenbanken Gas?"]

[Text] Stavanger, 6 March--A power plant which runs on gas from the fields in Haltenbanken may deliver electric power as early as 1995, according to Statoil. Such a gas-fired power plant will be able to produce 2.5-5.0 billion kilowatt-hours a year.

Since October of last year, Statoil and the Norwegian Watercourse and Electricity Service (NVE) have discussed the possibility of using natural gas for the generation of power. A report has now been sent to the Ministry of Oil and Energy.

Statoil and NVE have entered into an agreement to collaborate on the preparation of a prototype for such a power plant. The work will be finished by the end of 1986.

Henrik Ager-Hanssen, Statoil's assistant administrative director, said at a press conference on Thursday that the coast of central Norway is nowadays the most suitable region for placement of a gas-fired power plant. In that case, it will run on gas from Haltenbanken. It will take 0.5-1.0 billion cubic meters of gas to generate 2.5-5.0 billion kilowatt-hours a year.

According to NVE and Statoil, it will be necessary to bring in heat power as a supplement to further development of hydroelectric power as early as the beginning or the middle of the 1990s. Gas power is seen as an interesting alternative to coal-fired heat power and nuclear power, on the assumption that gas prices are not too high. In terms of expenses, gas power will also be able to compete with some of the remaining facilities for hydroelectric power.

Ager-Hanssen said that the production of gas power for export is a possibility which ought to be discussed in greater detail.

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ENERGY MINISTER ON FUTURE USE TRENDS, GOVERNMENT POLICY

Stockholm DAGENS NYHETER in Swedish 14 Mar 86 p 3

[Op Ed Article by Energy Minister Birgitta Dahl: "All New Electricity Will Cost More"; first paragraph is DAGENS NYHETER introduction]

[Text] The only way to maintain our low electricity prices is to use electricity rationally, with the emphasis on economizing on consumption and increasing efficiency. This seems to upset a lot of people in industry to the point where they copy Lars Nabseth and start alarming the public with talk of electricity rationing and the need for new electricity production. But electric power will be more expensive even with more nuclear power, according to Energy Minister Birgitta Dahl.

The electricity use policy approved by Riksdag is based on the assumption that we will continue to have broad access to cheap electricity for a long time to come but that the availability of electricity will be more limited in the future. Therefore in the long run electricity should be reserved for the areas where it is hard to provide alternate sources of energy. Industry's need for cheap electricity should be given a high priority.

This electricity use policy still stands. But in this areas, as is the case with regard to energy policy in general, we find ourselves in a new situation, although the circumstances are different. While total energy use has declined, the consumption of electricity is rising rapidly. The big surplus of electricity that we saw just a few years ago no longer exists. In recent years electricity consumption has increased by around 10 TWh a year, corresponding to a 10 percent increase annually. If demand increases by more than 1-2 percent a year for the rest of the 1980's, we will very soon reach the limit of the electricity that can be produced cheaply.

Why is this the case? The reason why our electricity is so cheap is that it has a large base of cheap older waterpower. If this balance is disturbed, there will inevitably be sharp increases in the cost of electricity. New electricity production, whether it is based on coal, nuclear energy or windpower, cannot come close to the average cost of operating present facilities. There are also figures that show that new nuclear power would be just as expensive as coal-fired electricity production, for example. Thus any expansion of electricity production would involve higher costs than those in effect for the production plants already in existence. Electric power would be more expensive even if we were allowed to build new nuclear power plants in Sweden.

Or to put it another way, it is not the decision to phase out nuclear power that has led to the threat of much higher electricity prices, a weakened economy and a lessning of competitiveness. The threat comes instead from those who want to change our electricity production system so that less of our electricity comes from the cheap old area of waterpower. Such a situation will occur if we allow our electricity consumption to increase as it has up to now.

Thus it is a fact that almost every conceivable form of expansion involves costs that would increase the price of electricity. We are beginning to reach the limit of the electricity that can be produced in Sweden for a reasonable price. One can draw several conclusions from this. The most important is that we must try to meet the future demand for electricity with the existing power production system if we want to maintain our low electricity prices. Rising demand must be attacked from the consumption side. There is no reason to discuss expansions that involve big environmental sacrifices and high costs, such as more waterpower or coal-fired plants, until we have exhausted all the economically feasible opportunities to economize on consumption and increase efficiency.

The executive director of the Industrial League, Lars Nabseth, wrote in an article (DAGENS NYHETER, 6 March) of a future electricity consumption of as much as 160 TWh a year. I would like to use that figure as the basis for a description of the consequences that such a high consumption of electricity would have with regard to the environment and the economy.

To begin with it would mean that all untouched rivers and the remaining untouched portions of rivers already in use would have to be used for production with all that involves of difficult conflicts and environmental damage. But that would not be enough. We would also have to build big new production facilities for coal- and oil-fired electricity production, facilities that would produce a lot of pollution and sharply increase electricity prices. This in turn would be expensive for industry. Even if we built new nuclear power plants we would not avoid large increases in the price of electricity.

It is an indisputable fact that any alternative we choose with the exception of waterpower and economizing on use will double the price of electricity compared to the current level. Out of respect for democracy and for decisions that have already been made, we are firmly resolved to stand by the decision to phase out nuclear power. We want to avoid coal- and oil-fired plants for environmental reasons as well as because they are too costly. With regard to untouched rivers we have not abandoned the basic viewpoint that led us to decide that power plants should not be built there. The steadily increasing availability of cheap electricity that some business people are dreaming about does not exist in reality. The only way to maintain our low electricity prices is to pursue a responsible electricity use policy based on economizing on consumption and increasing efficiency.

These facts seem to disturb some people in industry to the point where, like Nabseth, they have already started alarming people with their talk of rationing electricity and the need for new electricity production.

For decades industry has been accustomed to having access to the cheapest electricity in the world, with steadily increasing amounts available. Industry has made good use of this situation as a competitive advantage. Our low electricity rates have undoubtedly meant a lot for the success of Swedish industry in international markets. But while consumption of electricity has risen steadily, the possibilities for cheap new production have been exhausted.

Now that we are approaching the limit for the production of cheap electricity many people apparently refuse to face the fact. Of course this is not good news for those who have been used to living with and depending on unlimited supplies at low prices. That is why we now see certain industrial representatives trying to assign the responsibility to others instead of acting rationally in their own interest. They claim this is the government's fault. The government must change its policy and start expanding electricity production capacity. Suddenly the market economy's laws of supply and demand seem to have been repealed.

The government has said repeatedly that a high priority should be given to the needs of industry and that cheap electricity should be reserved for industry. We stand behind that promise. But the principle of cheap electricity for industry should not be abused. Industry must also assume responsibility for conserving resources and protecting the environment in its use of energy.

Ultimately this is a question of trust. The government was given its responsibilities by the citizens of the country. Thus the government has an obligation to protect the mutual interests of all citizens, not just those of certain special interest groups. In order to retain the trust of the citizens the government must pursue a consistent and credible policy.

But industry must also protect its own reputation. So far the citizens have accepted the subsidizing of heavy industry through tax rebates on electricity. But now industrial representatives are asking citizens to back their demand for continued access to cheap electricity in the future even if this costs billions in subsidies and requires big environmental sacrifices.

Industry's proposals for a kind of value-added tax on electricity and a sharp increase in electricity production mean that huge costs would be imposed on electricity consumers so that companies can continue to live a protected and wasteful life with cheap electricity.

However industry's situation is far from being as hopeless as some of its representatives claim.

In the first place there is a large potential supply of electricity that is currently used for heating purposes in both the industrial and residential sectors. In line with earlier decisions we have used the cheap electricity currently at our disposal--in the 1980's and 1990's--to cover the first phase of finding replacements for oil. The next step, which was also anticipated in earlier decisions, is to replace the use of electricity as much as possible through economy measures and new technology. In this way we can offset half the electricity produced by nuclear power. This in turn means that electricity can be guaranteed for specific needs, such as industrial needs.

In the second place, natural gas could play a big role in both heating and industrial processes. Natural gas is currently being introduced in southern and western Sweden.

In the third place there is still a large potential when it comes to economizing and improving efficiency in industry.

We are now working on the implementation of the Riksdag decision on energy policy. The government, industry, environmentalists, municipal leaders and responsible authorities should join forces to complete the work of phasing out nuclear power and laying the foundation for the energy system of the future. The Energy Council offers a good forum for such cooperation. I also intend to ask industrial representatives to take part in more deliberations on these matters.

If we succeed in accomplishing the tasks ahead of us it will mean a lot for confidence in the possibilities of democracy, research and technology that we can deal with the problems of the modern industrial society. In this way the energy system can also regain its position as a symbol of development and prosperity. Important results have already been achieved along these lines.

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West Europe Report

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HAMBURG EDUCATOR FEARS ANTI-AMERICANISM AMONG GERMAN YOUTH

Frankfurt FRANKFURTER RUNDSCHAU in German 28 Feb 86 p 4

[Letter from Joist Grolle, Hamburg Senator for Education, to U.S. Ambassador Richard Burt, date unknown: "Image of America Is Deteriorating": first paragraph is FRANKFURTER RUNDSCHAU introduction]

[Text] Hamburg Senator for Education Joist Grolle is concerned about the "image of America among our youth." In a letter to the U.S. ambassador in Bonn, Richard Burt, he complains that the "policy of intervention" of the United States with respect to Nicaragua--and now the announcement by Ronald Reagan concerning its intensification--is allegedly having disastrous effects on the sympathies of young people. The following is Grolle's verbatim text.

Dear Ambassador,

As the senator responsible for education in Hamburg, I am addressing myself to you out of concern for the image of America among our young people.

Similarly to U.S. involvement in the Vietnam War in previous years, the policy of intervention by the large United States towards the small country of Nicaragua is having disastrous effects on the sympathies of our youth for the United States. I am making this statement against the background of the fact that there are many initiative groups of various political composition in Hamburg that have developed partnership ties with schools and agricultural projects in Nicaragua. These relations came about after the violent Somoza regime was overthrown in 1979 and a wave of sympathy from all over the world accompanied the new democratic beginnings in Nicaragua. My own son spent 3 months in Nicaragua with one of these initiative groups in order to help set up a coffee plantation in the jungle. The experiences that he and many others brought back with him differ clearly from that which many newspapers are reporting about the situation in Nicaragua.

There can be no question of bloody oppression as in Somoza's day. The positive changes achieved since the overthrow of tyranny with respect to agrarian reform, health care and illiteracy continue to be considerable. On the other hand, it is true that there has been a great deal of disillusionment and disappointment. The economic situation has suffered setbacks, and the democratization process has faltered in mid-course. As critically as these latest developments should be judged, part of the reason for them has in fact quite clearly been the massive policy of intervention by the U.S. government. From the very outset, Washington has supported the violent contras; in 1984 it permitted the mining of Nicaragua's harbors, in 1985 it imposed a general economic boycott on Nicaragua; in 1986 the President requested from Congress no less than $70 million for the anti-Sandinista mercenaries, led by former Somoza people.

This intervention from the outside is not consistent with principles of human rights. Human rights questions are all the more implausible as a reason for intervention as long as the U.S. government accepts much worse abuses in other Central American states. In particular, however, the policy of intervention is having the opposite effect of what is allegedly intended. The result is not less, but greater dependence on the USSR. The result is not less, but more bloodshed. In the jungle settlement alone in which my son worked last year, a dozen unarmed village dwellers have in the last few months been shot by contras in ambushes. The thought that this happens on a daily basis in large parts of Nicaragua, and this with the open support of the United States, is deeply alarming.

I am certainly aware of the fact that similar and worse things are currently being perpetrated by the USSR against the Afghan people. There can be no quibbling over or downplaying of this fact. But up to now the United States has demanded that it be measured by different standards than the USSR. The United States has always demanded that it be measured according to the ideas of its own Declaration of Independence. Should this standard lose its validity in view of U.S. policy in Nicaragua? As long as the U.S. administration is unable to give any convincing answers to this question, the image of America among large parts of our young people will inevitably deteriorate. In view of the central importance accorded the German-American friendship, this is a development about which no one can fail to be concerned.

Moreover, world public opinion as a whole cannot be indifferent when small countries like Nicaragua are deprived of their right to self-determination by armies of mercenaries sent from the outside. Those who are concerned about guaranteeing human rights in Nicaragua must be interested in seeing Nicaragua released from the stranglehold of the current policy of intervention.

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CSO: 3620/591

ALTHING DISCUSSES SOVIET MANEUVER BLOCKING OIL PRICE DROP

Reykjavik MORGUNBLADID in Icelandic 12 Feb 86 p 32

[Article: "Soviets Always Deal in Terms of the Highest Prices on the Rotterdam Petroleum Market"]

[Text] Icelandic Minister of Trade Matthias Bjarnason said yesterday in the Althing that he planned to make efforts to ensure that the price of gasoline decreases in Iceland in coming months even if the drop could result in a considerably increased outflow of capital from oil company purchase balance sheets. The price of gasoline has been unchanged since October of last year when the price increased. The price has, on the other hand, been falling on foreign markets in recent weeks. The same thing can be said about other types of petroleum products.

Hjorleifur Guttormsson (People Alliance, Eastern Electoral District No 1) asked to deliver an unscheduled speech in the joint session of the Althing yesterday. The subject was Icelandic petroleum purchases. He noted the substantial fall in the price of petroleum products on foreign markets and asked when such price decreases might take place in Iceland. He said that Benzene and crude oil had in fact decreased in price very little recently and that the price of gasoline has been unchanged since October of 1985, when the last price increase took place.

The MP noted that the oil companies late last year purchased substantial stocks of petroleum at high princes and that these stocks would be exhausted by late spring. Decreases in the prices of petroleum products in Iceland would be highly beneficial for trawler outfitters and capelin processing plants. Outfitters are attempting to obtain cheaper petroleum abroad and they could not be blamed for doing so. A great differential, however, between petroleum prices in Iceland and abroad would result in a decline in local employment and an increase in exports of raw, unprocessed fisheries materials. This would later result in a considerable decrease in our sales of frozen fish on the American market. The MP said that he would inquire from the Ministry of Trade whether or not he though it natural that the decrease in the prices of petroleum products taking place abroad also take place in Iceland and whether or not he felt that something is wrong with Iceland's oil importation system.

The Icelandic Minister of Trade replied that special purchase balance sheets absorb the fluctuations that take place in petroleum prices. When petroleum prices increase abroad the price remains unchanged in Iceland for a period of time and the same thing is true when petroleum prices fall. If petroleum prices are allowed to decrease in Iceland to their lowest level achieved on foreign markets there will be a large outflow from the purchase balance sheets and that would mean a considerable loss of bank funds.

The minister said that crude oil and benzene have been falling in price for half a month and that the government had decided to support, in cooperation with the financial authorities, a fall also in the price of gasoline on the short term and that we will not wait until the middle of april for price changes.

Kjartan Johannsson (Social Democratic Party, Reykjanes) said that decreases in petroleum prices always take a long time and that the same thing is true of increases in petroleum prices. He referred in particular to the words of the Icelandic Minister of Trade to the effect that it is risky to look at petroleum prices in Iceland in terms of the lowest market prices on a given day. The MP said that oil agreements with the Soviets have made provision for the Soviets having a choice of the day that is to provide the standard for prices. Those who have examined graphs showing the evolution of petroleum prices on the Rotterdam market and have compared them with oil purchases in Iceland have noticed that the Soviets have always dealt in terms of the day when the price was highest and never the day upon which the price was lowest.

Johannsson said that the oil companies will not be able to base princes on the highest Rotterdam prices if they purchase cheaper oil and thus see no advantage in it. It would be appropriate to review the oil purchasing system.

Hjorleifur Guttormsson said is was better than nothing that the government plans to support a decrease in the price of gasoline before the end of winter. The differences in prices now current should be considered unsatisfactory. If people believe that petroleum prices will continue to fall abroad then they should allow prices to fall immediately in Iceland. The certain risk in this area should be accepted. He also thinks it necessary to review the oil trading system that has hitherto been in force so as to ensure that there is no repetition of the present situation.

Matthias Bjarnason cautioned very much against the idea of a free trade in petroleum products. Such free trade could lead to Iceland being unable to sell any salt herring next year. He said that no one has doubted the necessity of purchasing large quantities of oil for Iceland at a time so that there is a 2-3 month supply distributed about Iceland. People are also in agreement that the price paid for petroleum products should be the same everywhere in Iceland.

Pall Petursson (Progressive Party, Northwestern Electoral District) said that he would like to caution about the consequences of decreases in the prices of petroleum products and to raise the issue that it is still uncertain that such decreases in prices will take place. He quoted two foreign experts to the effect that in the wake of decreases in the prices of petroleum products will come economic instability. Other sources of energy will not be competitive with oil for a while and initially there will be a reduction in petroleum survey and production. There could later be a reaction and a new price surge. He said that he would like Iceland to prepare again for several years of careful economy due to the temporary benefits of petroleum prices decreases.

The MP made it very clear that he is an opponent of free imports of petroleum.

Kjartan Johannsson said that it was a matter of opinion who was more pessimistic, Bjarnason or Petursson. Petursson sees much adversity in the wake of the petroleum price decreases and Bjarnason has asserted that freeing of Iceland's petroleum trade will lead to short supplies in Iceland and would adversely effect the sale of Icelandic fisheries products abroad. This black pessimism reminds me on the discussions of the dangers of free trade during the early years of the Government of National Reconstruction. Ministers should consider how free trade has turned out and look at the deficiencies the the petroleum trading system with this in mind.

Valdimar Indridason (Independent Party, Western Electoral District No 1) said that he was in agreement with the Icelandic Minister of Trade that Iceland's position regarding exports of salt herring to the Soviet Union would be in danger if petroleum purchases from the Soviet Union were to end. It is possible to sell salt herring no where else than in Russia.

Kolbrun Jonsdottir (Social Democratic Alliance, Eastern Northern Electoral District) said that the petroleum trade between the Soviet Union and Iceland is not a good one. The Soviet Union sells petroleum to Iceland because they see a profit in it. The MP should encourage the complete freeing of the trade in petroleum. There should be competition to obtain petroleum at the lowest price. And those involved in the petroleum trade should take up the burdens of the trade.

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PCI'S NATTA ON EUROPEAN COOPERATION, UNITED EUROPEAN LEFT

Rome L'UNITA in Italian 13 Mar 86 p 4

[Speech by Alessandro Natta on 11 March to the Federal Institute of International Studies and Studies on Eastern Societies in Colonia]

[Text] The PCI's European choice: an autonomous Community, a more united Left. A necessary course: detente, collective security, easing of the antagonistic logic of the blocs, a new economic order. The role and objectives of Western Europe in the East-West confrontation. We are working for a convergence of the progressive forces, for a reassembly that points toward and prepares a new phase in the history of the European Left.

We give an almost full report of the speech by Alessandro Natta on Tuesday to the Federal Institute for International Studies in Colonia. He said:

1.

The lines of tension that cross the world from East to West and from North to South make the overall international equilibrium ever more rigid, and at the same time more unstable and precarious.

Reciprocal effects between phenomena of different, or at least not homogenous, origins are intensifying: I am referring to the increasing interactions among the opposition of the blocs, the growing gap between the world that has already been defined as postindustrial and the world of underdevelopment, and the recent spreading of crises and bloody conflicts.

The scientific-technical revolution, which has accelerated in the past decade, poses major and disturbing dilemmas: it can mean progress, but also risk of regression; it can mean creation of further wealth, but also worsen with new poverties; it can open vast realms of liberation or, instead, of unknown subjection or alienation. Man is in the process of achieving remarkable goals by his science, but the same science can lead to tragic results for civilization and the existence of mankind. The concept of moving from nuclear armament to militarization of space is significant to everyone.

Finally, the spread of terrorism calls on all democratic forces to wage within the law and with the law a relentless struggle, without pause or any concession. However, the scope of the phenomenon, the evil that characterizes it, and its combination or secret links with other forms of major crime, constitute a perversion that it would be fruitless to try to defeat with repressive efficiency alone, necessary as it is.

Geneva Summit

Certainly, any catastrophic view must be rejected, just as appears unfounded any vision of mankind's destiny being in constant and irresistible progress. However, in order to guarantee the future, to keep open the possibilities for liberation, development and civilization it is above all peace that must be adopted as the priority good and goal; as the supreme value of our epoch, of human action. And this is the foundation and at the same time the backbone of our congress documents.

They affirm the centrality of peace. As a function of peace, it is necessary to break the spiral of the armaments race and reverse the destructive trends that threaten the entire international system, to construct an organic system of peaceful coexistence that, in international cooperation on an equal basis, will give scope to the sovereign decisions of each people and the rise of the Third World. The path appears ever clearer: that of detente, collective security, progressive relaxation of the antagonistic logic of the blocs, and gradual but effective convergence of the West and the East, the North and the South, toward construction of a new international economic order. Tensions and egoism canceled the Brandt report from the UN agenda: however, it remains, and instead increasingly assumes the value of a high and irrefutable warning!

In order that it may be heeded, with all the updatings that the development of the reality requires, we must get underway toward ending the threat of the dispute between the two superpowers to win strategic supremacy in the world and over the world.

Competition between differing social and political systems must not result in reaction by one or another with traumatic means. Transfers and developments in various parts of the world in relation to means of production and forms of social and political organization must not be imposed by or patterned after any model. The atomic era, the gap between development and underdevelopment, the gains and dilemmas of the scientific-technological revolution, the dangers of tampering with and destruction of essential and common assets, such as nature and the environment, require new kinds of recognition of reality, and a new way of thinking about and foreseeing international relations, policy, and relations among the classes and among men, and between man and the planet in which he lives.

2.

From the premises that I have tried to summarize there derive the basic choices of our party in the international field. We have referred, using a term that is perhaps approximate but meaningful, to the "European choice."

This is certainly nothing new for the Italian Communists: but through the congress we want to further define the scope, identifying a permanent dimension, not adjunctive or complementary, for our theoretical reflection and our practical commitment.

New Continental Setup

We are referring to the part of the continent covered by the European Economic Community. Of course, this is not the Europe of the accepted geographic-historical meaning of the term; but on the level of political action we are convinced that we must orient to the community entity, without thereby giving up the prospect of a different continental setup, which could instead develop--in the long term--also through the unity and autonomy of the present European Community.

The countries that are members of it--with the exception of Ireland--are also members of the Atlantic Alliance. The balance between this and the Warsaw Pact does not allow unilateral breakaways; moreover, the historical, political and economic ties between Western Europe and the United States are a deep-rooted and broad reality. The choice of going alone and autonomy from the Community, which, in the current international context, has been proposed as a traumatic transfer or surreptitious sliding into neutralist or nonaligned positions, would be ambitious folly in respect to political reality, in addition to being fraught with destabilizing potential: thus, that is not our choice and we reject it.

However, with full respect to the Atlantic Alliance--for its geographical limits and defensive purposes--the European Community has an objective necessity for autonomy for protection and affirmation of its own interests and objectives to be realized through its political, economic and institutional integration.

Following the Soviet-U.S. summit, the atomic disarmament plan presented by M. S. Gorbachev, including the proposal for dismantling and destruction of the intermediate missiles in the European theater, and President Reagan's counterproposal, though they reflect the roughness of the negotiation road, have opened significant room for the presence and initiative of Western Europe. On the other hand, the Strategic Defense Initiative that President Reagan continues to affirm as among the priority goals of his administration, in addition to the possibility of a terrifying resumption of the arms race and further unknown destabilizations of the international equilibrium, involves additional risks for Western Europe: the "strategic" risk of remaining "exposed" in the new confrontation between the superpowers; and the economic and civil risk of the drawing across the Atlantic of brains and technology.

In short, this involves a great risk of a new and irremediable subordination, one that in our view is neither countered by the fantasies concerning construction of a small belt in space among the stars, made to measure for Europe, nor compensated by the illusion of volume of business or technological "fallout" that could result for our countries.

There is no doubt that raising these problems, while at the same time affirming the particular nature of the Community's interests to be defended and achieved through its autonomy and unity, means that we need to face with courage the topic of European defense.

These are issues of extreme complexity on which the German Social Democratic Party has prepared important formulations that could be the subject of successive profitable meetings, but which I cannot now try to discuss in detail for obvious reasons. I feel it important to say that we Italian Communists are opposed to the idea of establishing a European nuclear pole, which by its intrinsic characteristics would end up constituting a new factor for tension and arms race. Defense today must be a search for security, and today that can only be "joint, reciprocal, and interdependent, such as to include parties that regard themselves as antagonists": as our comrade Enrico Berlinger had stated, and as we read in a highly interesting paper by your Timmerman.

If that applies on the world level, so much more should it apply on our continent. As a consequence, the necessity arises that Western Europe assert its own security interests in the context of the negotiations underway in Geneva; that until an agreement is achieved for total elimination of nuclear weapons their role be limited exclusively to deterrence against a nuclear attack by another (minimum deterrence); that we promote a start to negotiations on creating a nuclear-free zone in the continent and controlled reduction, toward the complete withdrawal from Europe of tactical nuclear weapons; that the banning of chemical weapons and their installation be completed; that the balance of conventional arms also come to be based on search for the minimum possible level, with maximum utilization of the Stockholm and Vienna negotations, also toward an agreement on a package of reliable military measures, binding and verifiable.

It also seems to us that we should pursue in all the available headquarters (Western European Union, European Group, EEC institutions, etc.) a greater cooperation with the European states also in the defense sector, especially for standardization of weapons, adoption of joint criteria and controls in sale of arms to third countries, and study of ways of industrial reconversion relating to agreed reductions in arms.

A serious problem arises here concerning the economic, military and political integration of the Community: because unfortunately in the conflicts bloodying the Third World there are too many weapons that have come from Western Europe, though with the best arguments of the demands of commercial competition.

North-South Dialogue

We believe that the European Community could and should play a significant role in solution of such conflicts, sometimes ignited by internal causes, but very often worsened, even when not directly caused, by the East-West tension. This role must be based on the principles of independence, self-determination, the right of every people to have a state with secure borders, and opposition to any interference or intervention, whatever the motive.

These are the principles that should be respected and applied in Nicaragua as in Afghanistan, in Cambodia as in all of Central America and southern Africa, and in the Middle East-Mediterranean basin, where the European responsibilities are particularly pressing: because of our extensive interests, because of the price in blood that Europe is also paying, and because of the scope of the crisis, with the suffering of peoples in the middle of it and the threats that it involves for the entire system of international relations.

On a different level are obviously the contributions that the European Community could make in the confrontations in the various areas of conflict, but we are convinced that in each case there emerges as imperative the necessity for joint review of the arms trade thus far engaged in by too many of the Community countries themselves.

On the other hand, in these areas of acute crises and conflicts there is the impact not only of the East-West tension, but also the break in the North-South dialogue, with the strong reassertion of the free trade direction, in reality a conservative one, which for the Third World has resulted in great calamity.

Our congress documents affirm that it is crucial, along with launching of the process of detente and disarmament in East-West relations, to resume the North-South dialogue in the reality of the world economy, and not only at the United Nations and the other negotiation headquarters.

It is certainly a matter of making the "aid" shares more consistent to areas where drought or epidemics prevail; but, overcoming any hypocritically philanthropic attitude (which was the subject of specific criticism in the Brandt report itself), it is necessary to launch a major policy based also on a shift of resources from North to South that disarmament should make possible, but above all aimed at promoting the autonomous ascendancy of the Third World into cooperation and equal interdependence. A policy that is expressed in defense of raw material prices, liberalization of trade, reform of the international monetary system, and in a progressive but genuine solution to the debt burden could decisively contribute to a more equitable international division of labor and thus to a generalized and noninflationary recovery of the world economy.

This need should be emphasized even more at a time when the drop in the prices of oil and raw materials, and the decline in the value of the dollar, seemed to have opened significant opportunities for growth in the economies of various European countries, while also risking a worsening of the difficulties of other countries, especially in the Third World.

15 Million Unemployed

The European Community could and must make a basic contribution to the process of reorganizing, on an international scale, the structures of production, trade, and consumption; though slow yet necessary for building a new economic order. However, as in the case of an active presence in the field of detente and disarmament, this assumes a Community capable of interweaving its projection toward the world with its own gradual internal economic, political and institutional integration.

It is clear to us that this "should be" of the Community corresponds neither to its current situation nor to the major part of the underlying trends.

We do not adopt the litanies of europessimism, we do not yield to the easy--or malicious--prophecies of the inevitable decline of Europe. Yet we believe we have a clear recognition of the low profile in which the Community is stagnating. sucked in by the bloc constraints, by the clinging of its own past, uncertain in face of the accelerated worldwide broadening of the economy, and threatened by the technological and financial power of the giants that dominate the market: a Community that is losing competitiveness in the leading edge industrial sectors, and in which unemployment is approaching 15 million individuals, young people in particular; while dissatisfaction and xenophobia are spread through large segments of the population in face of the millions of immigrants from other continents.

This seems to us a warning, in short, that the European Community is today still an object of the tensions characterizing the international political and economic relations rather than a dynamic agent for overcoming them.

We are convinced that the Community should achieve relations with the United States that are both close and based on the equality that must be the norm between allies, in every field, from the strategic to the commercial. This is one of the preconditions for the Community to be able to project itself as an important factor in easing all the tensions and toward overcoming them.

On the basis of this necessity, our Congress theses affirm the determination of Italian Communists to promote the dialogue with the democratic and progressive elements in the social and cultural life of the United States.

That's it: the "European choice" does not at all mean that we are satisfied with the status quo. It is the definition of the fundamental field of the battle that we want to wage at the national and supranational level, to respond to many of the tough problems that division and--along with it--the growing interdependence among the various areas and phenomena of the real world are posing for all the revolutionary, reformist, and progressive forces that seek to save and change human life, in the direction of democracy and social justice.

"Eureka" Plan

The Eureka plan also has a significance that goes beyond its own intrinsic value; the calls for a different relationship with the Third World are spreading in various degree; an opening to COMECON looms persistently, among other things with the legitimate concern to safeguard the bilateral relations with countries that are members of it, while the awareness of the scope of problems solvable only at the supranational level is becoming ever clearer. In this connection, the document issued by your trade union organization, the DGB, in May 1985 is valid for everyone, dealing with the themes of care for the environment and qualitative development, and it contains a wealth of interesting observations such as those offered as follows.

The horizon is not all black.

The fact is that the autonomous and unitary European Community is a strong idea if it is conceived as a result of, and a factor in, the struggle for coexistence and for a new international economic order: hence, in a profound change in its directions and structures, whose protagonists are the reformist and progressive forces, and the forces of the Left, which must be aware that it is very difficult to hold fast in open ranks formation in face of the challenges of our time; that it is very difficult to control the innovation processes underway in the economy and society, either by adopting the same themes as the conservative offensive currently prevailing in the West, or by only promoting resistance, rearguard battles within the national borders. Perhaps they know--through the same experience suffered in the past few years--that it is very difficult to advance on new roads of development and toward progressive solutions of a socialist type in a single country, apart from the European dimension.

3.

It seems to us that this is a truth that emerges from the experience of the past decades, and which during the past few years the international tension and neoconservative offensive in the West have further underlined. We definitely have not only the divisions among the various currents on the Left, but also the differences of opinion and orientation relating to the European Community that horizontally divide every grouping, whether socialist, social-democratic, communist or other inspiration.

Also among these divisions and differences, in our judgment many regions have caused the Left to find itself unprepared in face of the internationalization of capital, the consequences of the technical-scientific revolution, and the attack by the Right on the social state.

The search for a minimum of planning and operational understanding among the forces of the European Left is an essential precondition for it to move to the counteroffensive in confrontations with the Right and its attack, which, if not exhausted, is at least revealing its inability to envision a future in which valid answers will be found to the requirements and needs of the peoples and societies of Europe.

In this context falls the clear affirmation in our Theses that the PCI is an "integral part of the European Left."

The geographical reasons are obvious, and the historical reasons evident, given that the Marxism-inspired workers movement--in which our origins lie--is a child of the culture, of the Western European civilization; however, these reasons are interwoven in the strategy of Italian communists, in the Socialist concept itself to which they have attained over the complex and arduous course of the past 40 years: socialism as a constant fulfillment of democracy in the relations of production, in institutions, culture, society.

We are struggling for a society whose development is carried out within pluralism of ideas and interests, toward ever more advanced goals of justice and social rationality, productive efficiency, restoration and care of nature, and with uniting communication among men.

Naturally it is a struggle, a goal that derives from our national reality.

Here Natta concisely recalled the PCI's policy proposal and struggle for a democratic alternative in Italy, based on a program that recombines the needs of the society--in the first place, full employment--with the necessities and duties of the state. This struggle for a democratic alternative has implications and projections not only within the Community but for the dialogue among the forces of the Left throughout Western Europe. The PCI wants to participate in the theoretical and practical process underway on the European Left, in the pluralistic discussion in which every force of the Left presents itself with its own identity of ideas and policy.

In the identity of the Italian Communists--permit me to stress this without lack of modesty--there is the precise and irrevocable definition of full autonomy of their party and the pursuance of a new worker and democratic internationalism.

Italian Communists

The PCI is not, nor does it feel to be, a part of one ideological camp or of a worldwide communist movement, understood as an organization having its own center, its own one-voice strategy, and its own organizational structure: whoever thought this, or outright desired it, would not only be blind in face of the current reality, but would be going against the historical process, the future prospects. The current that is pressing contemporary history forward is of far broader dimensions and complexity; all the forces that are and can in future always be committed for the major objectives of peaceful coexistence and a new international order.

In our recent meetings with the top leaders of the Chinese Communist Party and the Soviet Communist Party it seemed to us that we perceived a growing attention--from various angles--to the need for this new conception and practice of internationalism.

In any case, we strive to promote this fully among the communist parties. As the PCI, we base on these principles our relations also with the social democrats and the socialists, and the other progressive forces and movements in Europe and the world.

The fact remains that for the PCI the full autonomy in its decisions not only reflects an open vision of the relations among the parties, but is the premise and the basis of a strategy that accepts political democracy as a universal value, also in the obvious diversity of institutions and the forms in which it is expressed; a value that, I repeat, should inspire and characterize the struggle and the solutions of socialism.

This is why we maintain that it is necessary to work for a better understanding, a convergence, an understanding among the various components of the worker movement and the European Left; for a reassembling that prepares a new phase in our history.

[Boxed item: Article by Paolo Soldini. Colonia--For the researchers of the Federal Institute for International Studies and Studies on Eastern Societies, the PCI is no "mysterious object." Some of the most brilliant analyses of the strategy and political culture of the Italian communists have come specifically from there in the past few years. Like the thesis by Heinz Timmermann marking to some degree a turning point in the understanding and appreciation in Germany of the new development then being called "Eurocommunism." A number of Italian Communist leaders, from Pajetta and Napolitano to Chiaramonte, also passed through the Institute, and there are close contacts with the other research bodies dealing with the same "subject matter."

No surprise then that Alessandro Natta, who was the guest of the Institute on Friday for a meeting-debate, found himself facing a floor of "insiders" who had much to ask and much to say. In short, it was a rapid-fire discussion, "free of structure and very intense," as Dr. Vogel, the Institute's director, described it, with speakers from the entire German political spectrum and numerous guests in order to "profit" to the fullest from the presence of the PCI secretary general. The previous day, the latter had met with Willy Brandt in a discussion of evident political significance.

Thus, at 10 a.m. Natta took his seat at the table in the meeting hall--with him were Gianni Cervetti, chairman of the communist group in the European Parliament; Sergio Segre, who was an important participant in the issue of relations between the Italian Communists and the German Social Democrats, which makes him quite famous among the scholars of the Institute; and Angelo Oliva, secretary of the group in Strasbourg. Natta read the report that we publish separately, and then, after a brief interval, replied to questions, requests for clarifications, and doubts, with participant concerns or differences barely concealed (among the participants were also supporters of the Konrad-Adenauer Stiftung, the CDU scientific foundation, and the Federal Ministry of Foreign Affairs). It all took place in a very open atmosphere, marked by the common recognition, expressed at the beginning of the meeting by Dr Vogel, that "what the PCI does and thinks is important for Italy, but also for Europe and East-West relations."

The topics covered in the discussion were basically those that Natta had introduced in the report, but the points that the German "insiders" were most interested in was quite evident from the questions: the relations between the Italian Communists and the CPSU (and the PCI's judgment on the renewal elements that the German political world sees in Gorbachev's policy); the significance of taking a position in and feeling "an integral part of the European Left" (the dialogue with the other parties of the Left outside Italy and with the PSI); the positions on security issues (attitude toward NATO and the assumptions of European defense), and finally the decision in favor of community integration.

A large complex of problems that constitutes the major part of the congress discussion underway and that was also the basic substance of this trip by Natta to Germany and his meeting with Brandt.

In the afternoon of Tuesday, before leaving for Italy, Natta participated in an ad hoc and affectionate meeting at the PCI federation of Colonia.

9920
CSO: 3528/101

POLITICAL NETHERLANDS

VVD MAPS STRATEGY FOR COMING ELECTION

Rotterdam NRC HANDELSBLAD in Dutch 3 Mar 86 p 3

[Article by Hubert Smeets: "VVD Emphasizes Fighting Strength at Beginning of Campaign Because Opinion Polls Fall Short of Expectations: Liberals Afraid of CDA-PVDA Coalition"]

[Text] Den Bosch, 3 Mar--The VVD is entering into the election battle in the coming months like a soccer team full of front and center field players. The liberals appear to have no need for a consolidated defense so soon after the fall of the bill introduced by Mrs Wessel-Tuinstra, in part caused by them. At the start of the VVD electoral campaign Saturday afternoon in Den Bosch, VVD campaign leader Ferry Houterman did not make mention of the rearguard of his party, although it was he who used this sporting metaphor to rouse the hundreds of party members who had gathered in the capital of North Brabant province.

Political leader Ed Nijpels was similarly on the offensive in his remarks in Den Bosch. "The opinion polls these days are not that great. Let us then show our fighting strength, the fighting strength to bring about liberal solutions at crucial moments," Nijpels impressed upon his audience in the Casino in Den Bosch. All the more so now, the head of the liberal ticket said, because what is at stake now is "one of the most important battles that the VVD has had to wage since the war."

This because, as party chairman Jan Kamminga had said in his opening speech almost as an oath, "it would be a catastrophe if the new elan that the VVD has given to government, that blooming flower, were to be trampled down by the return of the PVDA to the government."

Back Door

There was no open discussion Saturday in Den Bosch about the fact that the course that the VVD has taken in recent weeks with respect to euthanasia legislation can at least be called aggressive. But it was being discussed unofficially. Even though the compromise developed by Nijpels to not definitively deal with the Wessel-Tuinstra bill and the "test" of the cabinet until after the election and after further consultation with the Council of State might be seen by the outside world as a defeat, there was scarcely any criticism of it Saturday within the VVD. Not only because liberal supporters in the south--it was no coincidence that the party began its campaign in North Brabant, one of the regions where it must manage to consolidate its electoral gains of 4 years ago at the expense of the CDA--are not that eager for quick legislation. But especially because the VVD is mortally afraid of a cabinet crisis right before the city council elections on 19 March.

Countersignature

Indeed, the chances of this were becoming ever greater last month as the ties between the cabinet and the VVD caucus became looser. The "test" put forward by the cabinet in mid-January was a surprise to Nijpels. Contact between him and liberal cabinet members is not always solid and adequate. Nevertheless, the caucus decided to hold firm to the proposal by Mrs Wessel-Tuinstra. About 2 weeks ago, however, it became clear to the caucus that Prime Minister Lubbers did not want to accept that. By way of the liberal ministers in the cabinet, "signals" trickled through that the prime minister would not only refuse to give his "countersignature" to Wessel-Tuinstra's bill if passed, but that he wanted to go further. This week, before the final vote on the bill in the Second Chamber and thus 2 weeks before the city council elections, Lubbers would declare the bill "unacceptable"; this was the message that the VVD ministers brought to their caucus. In that case, the only choice the VVD would have would be to knuckle under or to split the coalition. However, there is a saying: "Whoever splits pays for it." The VVD caucus did not want to prove this adage. Moreover, the dramatic council elections that could have been the result of this would have clearly cast their shadow on the national elections on 21 May, the caucus leadership thought. At this, the threesome of Ed Nijpels, Albert-Jan Evenhuis (vice chairman) and Dick Dees (spokesman) began to consider a back door that would offer a way out. Last week the compromise formulated by these three initially met with objections in the caucus. Only after they got a guarantee from Nijpels that the "extra round of care" advocated by them would not have any consequences in terms of content for the VVD position on euthanasia, almost all of the caucus took a position supportive of their chairman's proposal on Thursday. The quick positive reaction by Prime Minister Lubbers consequently made many liberals breathe a sigh of relief.

No Experiments

The reaction Saturday in Den Bosch was similarly one of relief. This because even though cooperation with the CDA in recent years has been "quite decent," as Kamminga characterized the coalition, the fear that the Christian Democrats will again turn to the PVDA after 21 May is deeply entrenched in the VVD. The fact that Lubbers, as prime minister, has committed himself to the current cabinet policy--"VVD policy," according to Kamminga--and that the PVDA appears to be erecting obstacles with its position on the cruise missiles, is hardly reassuring to the liberals. "We remember another Lubbers, that minister of economic affairs, who took part in the wild spending of the Den Uyl cabinet. When it comes down to it, the PVDA and the CDA agree on the cruise missiles. Thus, a solution can be found, perhaps in a commission," Kamminga said in earnest, referring to the compromise on the closing of nuclear power plants achieved by Christian Democrats and Social Democrats in 1981 during the formation of the Van Agt-Den Uyl cabinet.

This is why the VVD wants to make education policy one of its major themes in the months ahead. Nijpels made a veiled claim Saturday in Den Bosch. With the motto "no experiments," the VVD assumed a strongly disparate position with respect to both the CDA and the PVDA. "Quality must be top priority. Let us cut out discussions of structures, cut out experimental middle schools. The heart in the right place, the mind in the right place," Nijpels said.

After the three "attack issues" of work, income and security, and together with "environment, free media choice and liberal support for less bureaucratic mess," education is one of the four "midfield" electoral topics according to the strategic plan of campaign leader Houterman. Houterman himself put some more heart into the party members on Saturday. "If Evert van Benthem demonstrated Wednesday that one man can win two times in a row, then two million VVD voters can certainly do the same," Houterman said figuratively.

After Nijpels had given the final go for the campaign and had been loudly cheered together with chairman Kamminga--both with thumbs raised--the liberals went home in lively spirits.

12271
CSO: 3614/72

POLITICAL NORWAY

FORDE DEFEATED IN LABOR PARTY DISTRICT NUCLEAR SHIP ISSUE

Oslo ARBEIDERBLADET in Norwegian 14 Feb 86 p 7

[Article by Grete Berget: "Nuclear Torch in Oslo Labor Party"]

> [Text] Foreign ships visiting Norwegian ports likely will become the torch which heats things up when the annual convention of the Oslo District Labor Party sets its agenda in two weeks. Alliance women, young people and the labor movement are demanding clear language when the annual meeting states its views on visits to Norwegian ports and a declaration that ships may not carry nuclear weapons on board. When the deadline for proposals expires today, there will be at least three recommendations for demanding a declaration.

It was precisely the issue of visits to Norwegian ports and the demand for a declaration against nuclear weapons being on board which was the cause for Labor Party vice chairman Einar Forde not being made the head of the editorial committee. According to ARBEIDERBLADET'S information, it was Forde's handling of this issue during the national convention last year which was the basis for the proposal being made for an opposition candidate. At the national convention, the following wording was approved: "There must continue to be requirements that visits by foreign warships not be carried out with nuclear weapons on board."

No Relay Race

"We will not have a relay race with nuclear weapons in Norwegian ports," says Thor Lauvsnes, head of the Metal Industry's party group. The delegation is sending in its proposal today calling for a declaration of no nuclear weapons being on board.

"The proposal resembles the one made by AUF [Labor Youth] and we do not have problems in supporting it. We are counting on broad support from the labor movement," said Lauvsnes. The Iron & Metal Workers will have seven representatives at the annual convention. Lauvsnes rejects a compromise solution in this matter. "On what would a compromise be based--whether we would allow nuclear weapons in Norwegian ports for one, two or five days?" he asks.

Negotiations Crippled

The head of AUF in Oslo, Turid Birkeland, counts on their being good possibilities for a victory for their proposal to require a written declaration from allied warships that they are not carrying nuclear weapons on board during visits to Norwegian ports and Norwegian territorial waters. "It is time that we stop allowing agreements making us crippled concerning negotiations," says Birkeland. She points to the visit of the American battleship IOWA and believes that it illustrates that it is necessary to have a yet more precise statement of Norway's nuclear weapons policy.

Clarification

The womens committee of the Oslo Labor Party also is recommending a declaration, but in a form which is different from AUF's proposal. The Oslo women unanimously approved a proposal at their annual meeting that Parliament must require a declaration from the ships which visit Norwegian ports. This proposal is the same as that which was proposed at the annual convention of the Troms District Labor Party where the majority changed the word "must" to "can".

The leader of the womens committee, Lene Loken, evaluates the chances for a majority in favor of their proposal as being good. "In my opinion, the proposal conforms to the belief of the majority in the Oslo district party. The proposals emanate from various groups within the party, both trade groups and others," says Loken.

[Question] "Is this now leading to a divisive security policy debate?"

[Answer] "I cannot see that there is any basis for there being any divisive debate. The proposals are in accordance with the 'Bratteli Doctrine' which requires that ships not carry nuclear weapons. Things went well in this regard while we had a Labor government because we said what we thought to our allies. The current government shoves the doctrine aside and sneaks, for example, IOWA into port. Therefore, it is necessary to make yet clearer that we will have nuclear-free ports."

[Question] "Will you accept a compromise?"

[Answer] "Our annual convention resolution is clear and I cannot see that there are any possibilities for compromise," responds Lene Loken.

Tove Heggen Larsen, vice chairman of the Oslo Labor Party, tells ARBEIDERBLADET that she backs the proposal and points to several party groups having negotiated and given their support to the proposals for requiring nuclear-free visits.

12578
CSO: 3639/82

18 FEDERATION LEADERS SUPPORT APPEAL AGAINST SDI

Oslo AFTENPOSTEN in Norwegian 25 Feb 86 p 24

[Article: "Eighteen Union Leaders Oppose SDI"]

[Text] A total of 18 federation leaders within LO [Norwegian Federation of Trade Unions] support an appeal by trade groups for Parliament to pass a resolution prohibiting Norwegian industry and researchers from participating in projects which are connected to the American strategic defense initiative, SDI. Those who support the appeal also want to influence public opinion to prevent a new twist in the arms race between the United States and the Soviet Union.

"Simultaneously with our discussing disarmament, we are having an actual turn toward something which is worse. The totally insane is completely enmeshed in the system," said the head of the Norwegian Chemical Industrial Workers Association, Arthur Svensson, at a press conference yesterday.

The 18 federation leaders within LO represent the entire spectrum of the labor movement. Of the larger associations, only the Norwegian Iron & Metal Workers Association is not joining in the appeal.

The appeal calls for Parliament to support Norway using its influence in causing the super powers to halt research and development of space weapons.

12578
CSO: 3639/82

NCO IN-SERVICE TRAINING AT BATTALION LEVEL DESCRIBED

Herford KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN in German Dec 85 pp 261-265

[Article by Lt Horst Werner, S2 Panzergrenadierlehrbataillon 353: "NCO Development in the Field Forces"]

[Text] In-service training is the "extension and expansion of the ... training and ... advanced training. It should refreshen or deepen knowledge and proficiency and transmit additional knowledge and proficiency..." (Footnote 1) (Army Service Regulation 102/100, Inclosure 7/14)

Taking Aim

NCO development is a standard task in training. It has to be seen as assistance for the trade, as an introduction for training and as an instrument for NCO motivation. The introduction of new, more combat-worthy equipment, the end of the NCO shortages and the increases in allocations and quality of the Marder squad leaders all place ever newer and higher demands on the NCO in-service training.

Goals and contents are spelled out here:

- NCO in-service training should be an introduction and help in preparing for training,
- it should contribute to leadership ability.

As a rule, direction and execution lie in the hands of the company commander. Because of the shortage of experienced officers, it is seldom possible to delegate the task of implementing NCO in-service training, so the commander himself is alone entrusted with it.

Learning Group Analysis

In NCO development, NCO's of varying ages and differing levels of assignment have to be considered. Specifically, these are the platoon sergeant, squad sergeant, NBC team leader and the special function NCO's such as the company sergeant major, company commander or communications NCO.

"NCO development must be aimed at quick improvement in the troop training, especially in combat and marksmanship; it is practical assistance for the training. Next to that stands the growth into a dedicated representative of the NCO corps... the allocation of 24 hours per quarter (16 in the third quarter) remains unchanged. The battalion-wide training is specified in Appendix D." (Footnote 3) (Annual Training Order 1985, Armored Infantry Instruction Battalion 353)

With this, he translates the brigade requirements for the battalion and sets his main points and the allocation of time. The battalion-wide training is carried out for all the NCO's by one of the company commanders, under the direction of the battalion commander. This takes some of the workload off the company commanders.

"NCO's in specialty fields will receive an extra four hours per quarter of in-service training. Plan for class training as per Appendix D 1." (Footnote 4) (ibid.)

The following training classes were formed and organized as a result:
- Personal Conduct,
- Leadership/Training,
- Service Support,
- Sanitary Support,
- Pay System.

The in-service training is under the direction of the appropriate staff section leader. Implementation lies in the hands of the same officers, and is supported by professionally competent and qualified NCO's from the respective areas of expertise. To illustrate, I will show the plan for the class-(functional-)training in our battalion. (Footnote 5) (Ibid.)

The director, which is as a rule the company commander, decides from case to case which portion of his NCO corps will take part in the training activities. These activities should be arranged so that all the participating NCO's can be called, and indeed so that each can work in his own assignment area.

Responsibility for the NCO In-Service Training

The Chief of Staff in the Army exercises influence on troop training in the Annual Order, and with that indirectly on the NCO in-service training, in which he sets guidelines for the training. The command authorities translate these guidelines in their respective annual training orders. Since, however, there is not a defined order in NCO development, these training orders only have a limited measure of influence on the training.

I will illustrate this with an excerpt from the annual training order of an armored infantry brigade:

"Careful preparation for training, and improvement in practical ability as a leader in combat, are central to NCO development.

To improve professional ability as a supervisor and leader in the primary field of application is not, however, the only aspect of in-service training. The growth into a convinced and convincing representative of the NCO corps must stand equally alongside. The public appearance of the NCO in uniform is to be supported." (Footnote 2) (Annual Training Order 1985, Armored Infantry Brigade 35)

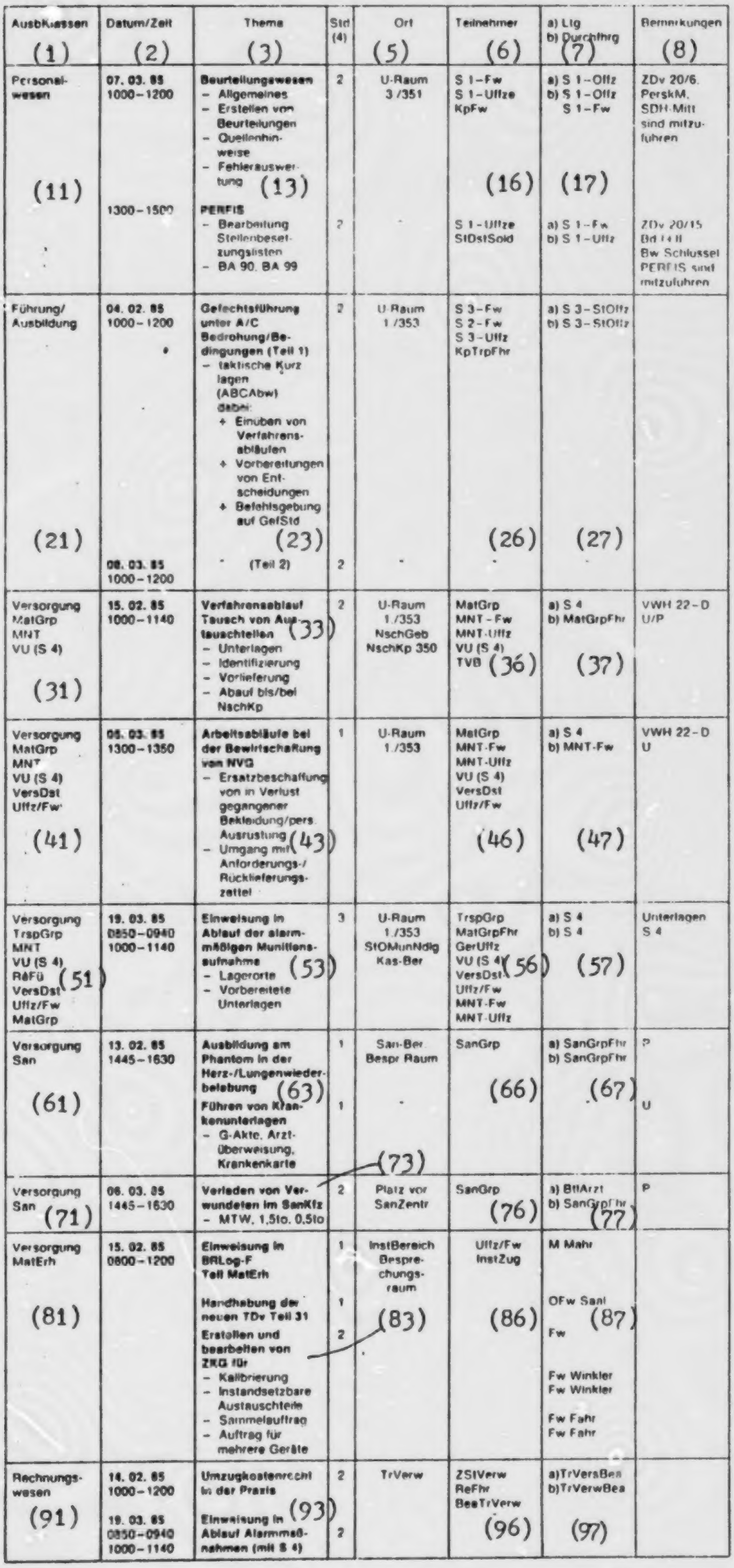
This formulation allows the battalion commander enough room to regulate the NCO in-service training in his battalion. Since he knows the training plans (unit training, troop training grounds, etc.), he will give the main points to the companies. However, only as an exception will he specify the subjects, training goals and time allocation.

As a rule, the company commander can plan the larger part of the NCO training activities according to the plans of the company. In order to secure command supervision, the battalion commander receives the companies' NCO development plans at the beginning of each quarter. The battalion evaluates the carried out in-service training activities at the end of the quarter. The company commander's responsibility is thereby undisturbed.

Time Allocation

Preparation, implementation and follow-up work in NCO development tie up the company commander as well as the NCO's, so for the company soldiers there has to be some training set up which only requires very few NCO's. On the other hand, the time allocated must be enough to fulfill the requirements of the annual orders. The battalion commander has to consider this when he assigns hours for in-service training activities. The regulations in our battalion seem to me to be reasonable and practical. The commander writes in his annual training order:

Table 1. Class (Functional Training in Armored Infantry Training Btn 353)



AusbKlassen (1)	Datum/Zeit (2)	Thema (3)	Std (4)	Ort (5)	Teilnehmer (6)	a) Ltg b) Durchfhrg (7)	Bemerkungen (8)
Personalwesen (11)	07. 03. 85 1000–1200 1300–1500	**Beurteilungswesen** – Allgemeines – Erstellen von Beurteilungen – Quellenhinweise – Fehlerauswertung (13) **PERFIS** – Bearbeitung Stellenbesetzungslisten – BA 90, BA 99	2 2	U-Raum 3 /351 -	S 1–Fw S 1–Uffze KpFw (16) S 1–Uffze StDstSold	a) S 1–Offz b) S 1–Offz S 1–Fw (17) a) S 1–Fw b) S 1–Uffz	ZDv 20/6, PerskM, SDH-Mitt sind mitzufuhren ZDv 20/15 Bd I+II Bw Schlussel PERFIS sind mitzufuhren
Führung/Ausbildung (21)	04. 02. 85 1000–1200 08. 03. 85 1000–1200	**Gefechtsführung unter A/C Bedrohung/Bedingungen (Teil 1)** – taktische Kurzlagen (ABCAbw) dabei: + Einüben von Verfahrensabläufen + Vorbereitungen von Entscheidungen + Befehlsgebung auf GefStd (23) - (Teil 2)	2 2	U-Raum 1 /353 -	S 3–Fw S 2–Fw S 3–Uffz KpTrpFhr (26)	a) S 3–StOffz b) S 3–StOffz (27)	
Versorgung MatGrp MNT VU (S 4) (31)	15. 02. 85 1000–1140	**Verfahrensablauf Tausch von Austauschteilen** (33) – Unterlagen – Identifizierung – Vorlieferung – Abauf bis/bei NschKp	2	U-Raum 1./353 NschGeb NschKp 350	MatGrp MNT–Fw MNT-Uffz VU (S 4) TVB (36)	a) S 4 b) MatGrpFhr (37)	VWH 22–D U/P
Versorgung MatGrp MNT VU (S 4) VersDst Uffz/Fw (41)	05. 03. 85 1300–1350	**Arbeitsabläufe bei der Bewirtschaftung von NVG** – Ersatzbeschaffung von in Verlust gegangener Bekleidung/pers. Ausrustung (43) – Umgang mit Anforderungs-/Rücklieferungszettel	1	U-Raum 1./353	MatGrp MNT-Fw MNT-Uffz VU (S 4) VersDst Uffz/Fw (46)	a) S 4 b) MNT-Fw (47)	VWH 22–D U
Versorgung TrspGrp MNT VU (S 4) RäFü VersDst Uffz/Fw MatGrp (51)	19. 03. 85 0850–0940 1000–1140	**Einweisung in Ablauf der alarmmäßigen Munitionsaufnahme** (53) – Lagerorte – Vorbereitete Unterlagen	3	U-Raum 1./353 StOMunNdlg Kas-Ber	TrspGrp MatGrpFhr GerUffz VU (S 4) VersDst Uffz/Fw MNT-Fw MNT-Uffz (56)	a) S 4 b) S 4 (57)	Unterlagen S 4
Versorgung San (61)	13. 02. 85 1445–1630	**Ausbildung am Phantom in der Herz-/Lungenwiederbelebung** (63) **Führen von Krankenunterlagen** – G-Akte, Arztüberweisung, Krankenkarte	1 1	San-Ber. Bespr Raum -	SanGrp (66)	a) SanGrpFhr b) SanGrpFhr (67)	P U
Versorgung San (71)	06. 03. 85 1445–1630	**Verladen von Verwundeten im SanKfz** – MTW, 1,5to, 0,5to (73)	2	Platz vor SanZentr	SanGrp (76)	a) BtlArzt b) SanGrpFhr (77)	P
Versorgung MatErh (81)	15. 02. 85 0800–1200	**Einweisung in BRLog-F Teil MatErh** **Handhabung der neuen TDv Teil 31** **Erstellen und bearbeiten von ZRG für** – Kalibrierung – Instandsetzbare Austauschteile – Sammelauftrag – Auftrag für mehrere Geräte	1 1 2	InstBereich Besprechungsraum (83)	Uffz/Fw InstZug (86)	M Mahr OFw Sanl Fw (87) Fw Winkler Fw Winkler Fw Fahr Fw Fahr	
Rechnungswesen (91)	14. 02. 85 1000–1200 19. 03. 85 0850–0940 1000–1140	**Umzugkostenrecht in der Praxis** **Einweisung in Ablauf Alarmmaßnahmen (mit S 4)** (93)	2 2	TrVerw	ZStVerw ReFhr BeaTrVerw (96)	a)TrVersBea b)TrVerwBea (97)	

Key:

1) Training Class
2) Date/Time
3) Subject
4) Hours
5) Location
6) Participants
7) a-Direction, b-Instruction
8) Remarks

11) Personal Conduct	13) Judgment - General - Availability of Judgments	16) S1-Senior NCO S1-Junior NCO Co.SergeantMjr.	17) a-S1-Officer b-S1-Officer S1-Senior NCO
	- Sources - Error Evaluation	S1-Junior NCO's Special Duty Troops	a-S1-Senior NCO b-S1-Junior NCO
	PERFIS - Preparation of Duty Assignment Rosters - Operating Instruction 90,99		
21)Leadership/ Training	23)Combat Leadership in NBC threat/ conditions (Part 1) - tactical NBC defense incl.: - practice of methods/procedures - preparations for decision-making - giving orders on field of combat (Part 2)	26)S3-Senior NCO S2-Senior NCO S3-Senior NCO Company Commander	27)a-S3-Staff Off. b-S3-Staff Off.
31)Supply Material gp.	33)Procedures in exchanging exchangeable parts - documentation - identification - advance delivery - work w/supply company	36)Material Group MNT-Senior NCO MNT-Junior NCO S4 Troop Supply	37)a-S4 b-Supply Sq Ldr

41)Supply Material gp. Supply (S4) NCO'	43)Procedures in rationing of non-expendable supp. - getting replace. for lost clothing/ pers. items - procedure with requisition slip	46)Material Group Munitions NCOs S4 Supply Service NCO's	47)a-S4 b-Supply Sgt.
51)Supply Transport S4	53)Briefing for emergency rounds distribution - location - prepared docs	56)Supply Supply NCO's S4 Supply Service NCO's	57)a-S4 b-Supply Sgt.
61)Supply Medic	63)Heart/Lung resuscitation tng. w/dummy Direction of medic facilities - health records, doctor's slips, sick slip	66)Medical Group	67)a-Med.Gp Leader b-Med.Gp Leader
71)Supply Medic	73)Removing wounded in ambulance - .5 to 1.5 to	76)Medical Group	77)a-Battalion Dr. b-Med.Gp Leader
81)Supply Maintenance	83)Briefing on BR-log maintenance section Acquisition of new Tech Manual Part 31 Replace/repair combat equipment - calibration - reparable exchange parts - collection - multi-equipment work	86)NCO's from service/repair ptn.	87)Various NCO's
91)Pay	93)Moving cost priv. Briefing on alert procedures	96)Battalion HQ comp. Pay officer Records Processing	97)a-Supply Proc. b-Records Proc.

Contents of NCO In-Service Training

Combat Training

Combat training prepares the best for wartime proficiency. The main points are practice in fire and movement, night combat, integrated training and recognition of the threat through training about the enemy.

In order to carry out a realistic combat training, the NCO's must be able to translate their own intentions into a simple operation plan. An order language which is understandable is an essential requirement for that. The combat exercise must never get to the point that the intended progress makes resolve and action on the part of the trainees impossible. The instructor of the training, that is, the company commander, must be ready with several options to continue the exercise.

The main points of in-service training in the scope of practical leadership in combat must be:
- terrain description, terrain judgement, terrain utilization,
- thought-out formulation of orders,
- teamwork with support troops,
- improvement in leadership ability in the framework of tactical development, and
- knowledge of the enemy (combat vehicles, weapons, strengths and weaknesses).

Development in the scope of combat training is only sensible when it is carried out as practical duty in the field, as a field inspection, or at least as a terrain-model exercise.

In-service training is also under the command supervision of the battalion commander and the company commander during an exercise, in which the NCO's are deployed as the leaders of their units.

Weapons- and Equipment Training

New and improved weapons and equipment require constant retraining in this area. Only he who masters his equipment can then train his soldiers. Knowledge of the interaction of the parts especially belongs here, in order to be able to quickly and correctly handle a possible mechanical problem.

Methodology of Training

I believe that in general there is no need for a special in-service training on the subject of "Methodology of Training." Methodology plays a greater role in all the development activities. In this manner, a practical position becomes clear for the NCO.

I see one exception in the preparation for basic training. For the most part, the NCO's have problems with the quick readjustment from advanced training back to basic training. Here, the company commander must initiate directed in-service activites, in order to clarify the changed requirements on training for the NCO's. An example should illustrate this.

A company commander in an armored infantry company initiates in-service training in the following subject:

"Methodology of Training - Preparation and Implementation of a Reconnaissance Squad Mission" as initial training for recruits.

The company commander could persistently point out to his NCO's that during the training of recruits, training in small steps with many interruptions is better suited to avoiding mistakes than just giving the entire recon squad mission all at once and then step by step carry out the activities. The recruits are quite simply overwhelmed by the entire order.

Leadership/Leading People

The NCO's must learn to consider the physical and psychological strains of combat in the training. On top of that is the constant task of encouraging and maintaining motivation and the will to serve. This is no easy task.

In the Annual Training Order of 1985, our commander wrote about the theme of leading people:

"Care and consideration does not preclude strictness; a cloak of entitlement concerns is to be discouraged. The service time of our soldiers is to be carefully economized, and to be measured according to the given assignment and training requirements. The small group, above all, requires the attention and participation of the superiors. Camaraderie between superiors and subordinates is to be cut off. Abuse of soldiers is to be prosecuted through discipline and punishment." (Footnote 6) (Ibid.)

In the field of leadership, there should be development through the company commander by way of example situations on the basis of "compilation of directives for in-service training," which will strengthen the security of the NCO's with respect to their subordinate soldiers.

The demanded combat worthiness also requires preparedness to have the "will to fight" on the part of the leadership and their assistants in the event of an aggression. In conjunction with the hands-on ability, we will be situated in place to fulfill the mission.

The "Policy for Superiors" represents a further assistance to the company commander. Example situations can also be used here to show the intent of the policy. When the company commander succeeds in "incorporating" the sense of this policy within his NCO's, he will have a supportive, prepared NCO corps.

Contents of the Political Indoctrination

In our battalion, political indoctrination is given in seminar form. NCO in-service training should enable them to assist the company commander in running the seminar. To support this development, the division regularly reserves places for in-service training seminars, which can be used by the company commanders in the framework of their possibilities.

Our commander described the training objectives for political indoctrination thus:

"- The soldier must understand and be able to explain what he is fighting for.
- The NCO's are to relay the understanding of the individual's task, and the basic principles of our security policies... " (Footnote 7) (Ibid.)

Supply

The in-service training in the field of supply and logistics encompasses material support and rationing as well as medical support.

Help from the Technical Service is to be offered for development in the supply field. Along with supply rationing, it is an important task of the NCO. He has to know:
- how to care for and service weapons and machinery,
- an operator's procedure when there is damage,
- how to run verifications (on inventory lists, shortage lists, etc.).

NCO developmental training for "the special-commitment Technical Service" can be planned as follows:

- The day will be determined and placed in the duty schedule.
- Technical personnel will be called (maintenance team, communications team personnel),
- The need for fuels will be transmitted and requisitioned.

On training day, the vehicles and weapons will be put away in an orderly fashion, and the area will be staked out. The company commander directs the NCO in-service training and runs the individual sections as a class, where each NCO, alongside his equipment, supervises and helps with the work.

In medical support, the emphasis of in-service training lies in application of self-help and buddy-aid, and follow-up care for the wounded.

Use of liners in combat exercises are good for reaching the following training objectives:
- self-help and buddy-aid,
- transport of wounded,
- use of the ambulance and organization in the removal of wounded.

For this, assistance personnel (medical corps) must be called from the headquarters company in time.

Organization of the NCO Developmental Training

Preparation, implementation, and follow-up of the NCO in-service training demands a relatively high amount of time. You have to assume that several days of preparation are needed for development activities with training facilities. The plan has to be sketched out, and the training location has to be notified. After that, the fundamentals of the course have to be worked out according to the regulations and orders. In certain circumstances, equipment or personnel have to be requested from the headquarters company. Working out details for the training area with respect to time, precise objectives, command instructions, and expected activities require at least one additional day. Altogether, about two to three required working days have to be expected. In addition, there is the preparation immediately required before the training, such as the march to the training grounds, preparation of training stations, etc.

During the preparation, the company commander and a small staff of training assistants make a timely appearance (according to the training subject).

Preparation for in-service training which does not require training facilities, such as weapons- and equipment training, shooting rhythm, training with communications gear - setting up a SEM 25/35 radio set, etc., - can be done in a considerably shorter time. Even so, a time at least equal to the hours of training will be required for preparation.

Since the NCO's are not available for training conscripts while they are at in-service training themselves, the company commander has to determine who will be responsible for conscript training. The following solutions are available:

- The soldiers are trained in, say, general security practices, by the S2 Officer, or in company training by the company sergeant major.

- The company gets physical training under the direction of the company officer or an experienced sergeant who is not eligible to participate in NCO in-service training.

- The chaplain gives instruction in human affairs.

- The soldiers use some of their leave time.

Our commander decided that a portion of the NCO in-service activities should be centrally run by the battalion, so that in important subjects, all the NCO's receive the same instruction. The great effort required for preparation is then only required once for the battalion.

These central activities apply to the battalion-wide NCO training of four hours per quarter, and to the class instruction which is likewise four hours per quarter. The class instruction is already dictated.

Examples for battalion-wide NCO in-service training can be drawn from the following excerpt from the Annual Training Order 1985.

Early announcement of the training subjects and dates enables the companies to plan accordingly. The instructors for these in-service training activities have enough time for the preparation. The training is always directed by the battalion commander.

Example 1:
Table 2:Battalion-wide NCO In-Service Training (Footnote 8) (Ibid.)

1.Quarter 22 Feb 0800-1200 hrs	Field Briefing The armored infantry group as a recon unit on foot. The small combat community in defense. The armored infantry group dismounted in attack.	Training Area	a)Battalion CO. b)S3 Staff Off.
2.Quarter 29 Apr 0830-1230 hrs	Marksmanship Training Preparation and execution of combat fire. "The armored infantry group in attack in changing tactics."	Rifle Range	a)Battalion CO. b)3rd Company CO.
3.Quarter 07 Jul 1300-1700 hrs	Guard Training (Terrain model training) Watch duty procedure.		a)Battalion CO. b)S2 Officer
4.Quarter 14 Oct 1300-1700 hrs	Advanced Technical Tng. Execution of technical services by the crew.		a)Battalion CO. b)Tech. Staff Off.

Example 2: NCO In-Service Training in an Armored Infantry Company

The company commander himself directs most of the NCO in-service training. The subjects are so selected that through them, company troop training is being prepared. Therefore, the company commander translates the requirements out of the Annual Training Order and out of his training plans into an advance training plan, which he reports to the battalion three months before the beginning of the quarter.

As per the Commander's orders, in our battalion the company commander runs 20 hours of NCO in-service training per quarter. As an example, the NCO training plan for an armored infantry company follows:

Table 3: NCO In-Service Training in the 1st Quarter (Footnote 9)
(NCO Dev. Plan for Armored Infantry Instructor Battalion 353, 1st Quarter 1985)

Hrs	Training Plans	Method of Instruction	Location	Director
3	Leadership and Rights - Development activites - General Example	Classroom	2nd Co. Classroom	Company CO.

2	Fundamentals for APC combat in day, night, and bad weather	Terrain Model	2nd Co. Terrain Model Room	Company CO.
5	Takeover of obstacles - Deployment as a detonation party. - Handover/takeover of an obstacle prepared for detonation.	Classroom, Field	Per order	Company CO.
7	Terrain Reconnaissance/ Description The Armored Infantryman in defense - Deployment + APC + MILAN + Riflemen	Field	Per order	Company CO.
3	NBC Defensive Training for All Troops - Chemical warning procedure. - NBC warning procedure. - Deployment of NBC troops. - Report- and warning duty.	Classroom, Field	Per order	Company CO.

Methodology and Time

Based on the large requirement of time for preparation and execution, NCO in-service training must be tightly organized. Above all, it should be seen as assistance for general training. Beyond that, it should not only be implemented during the ordered instruction hours, but instead in-service training should always be continued. The following measures are available for this purpose:

The Weekly Briefing

For training planning, the company commander identifies, among other things, points of emphasis, locations, and training objectives. To insure uniform training in the company and to explain the training organization in the company, the company commander addresses as a rule all the company's NCO's to review the training for the coming week within the duty plan. This early preparation for training gives the NCO's the opportunity to acquire training equipment, to reserve a training location, and to hand out the leaflets, etc.

The Daily Briefing

Here, the platoon leader reviews the training for the coming day and the following one with his instructors. Since the main points (subject, location and time) are already known, they can concentrate on the details, such as the following:

- progress of preparations are reviewed, and if necessary, changes are ordered or recommended,
- organization and training procedure are given before going to the field,
- training material on hand has to be inspected and
- instructional help, especially for weaker NCO's, can be assigned.

These daily briefings therefore regulate the training in great detail, in order to keep the operation tight and to avoid killing time.

Command Supervision by the Superiors

Supervision by the battalion commander enables him to get an idea of the planning and execution of the NCO in-service training, allows him to assist the training, and also to prevent mistakes.

In NCO in-service training, it is better to let small mistakes wait until the training briefing to be corrected. Otherwise, the training could be too interrupted.

Command supervision is, however, also involved in the daily training of NCO development. For the commander/company commander, it is at the same time the situation report and the control over successful NCO development.

Behaviour as Leader on the Front

The NCO is called to be the leader in many situations in daily training or during an exercise. Development in this area consists of repeatedly exercising control and promoting the behaviour as a leader, quickly correcting shortcomings, and above all increasingly employing the weaker NCO's. The company commander must maintain his command supervision in order to learn the strengths and weaknesses of his NCO's.

If the company commander keeps making these demands, and weaknesses are immediately corrected, success will soon follow.

The NCO's will be more confident to go to the front as leaders. For the company commander, this means he will have to spend much time with the training - as a rule at least half of the training time.

Practice of Shortcoming Recognition

Discipline and order are the cornerstones of the soldiers' life. Add to these virtues attention to so-called minor details, such as the unbuttoned buttons on soldiers' uniforms, sloppy or missing salutes for superiors, lack of headgear or incomplete discharge of orders. Development in this area consists of immediate correction of shortcomings. A good possibility to do this is present in the preparation for military drill, for example: - having dress code inspection, - reviewing proper behaviour during giving of orders, - checking for sufficient distance between NCO and the training group.

During normal training time, these shortcomings must also be recognized and corrected.

If the company commander's supervision is not sufficient for this, he must order an NCO in-service training session in the framework of the ordered training schedule, so that the recognition and correction of small and hidden shortcomings can be practiced.

Assistance for the Execution of NCO In-Service Training

Methodology of Field Conferences

Field conferences are well-suited for letting NCO's get themselves oriented in the training area or deployment area (the exception) in the training site or even in the position. Orientation in the deployment area will only be possible for many units with large march movements.

Due to peacetime unit deployment, frequency and scope of this in-service training cannot be generally recommended for all Army units. In any case, though, this activity should take place at least once a year, which would encompass at least one day.

One NCO orientation should be held regularly every quarter in the training area, tied in with a field briefing. The field orientation itself is an essential requirement for successful training. Here, the company commander must himself consider whether the march in the field is justified, or if the orientation can better be carried out on the terrain model, in order to save time.

Methodology of Terrain Model Training

A terrain model room should be available at least once in every company. The terrain model training is excellent for advanced- and in-service training of the NCO's, since decision tasks can be exercised on a reduced scale terrain, without a great commitment of time for the march in and out of the area.

One possible use is to prepare for troop training on the terrain model. For this, it must be as accurate a scale representation of the training area as possible, so that the company commander can discuss the organization and procedure and individual subjects in the training with the NCO's.

The second broad possibility for the company commander is the terrain model exercise. Here represented is an example of reconnaissance training.

1. The company commander prepares a terrain model exercise with exercise facilities and has the terrain model assembled according to his terrain concept.
2. The company commander gives his NCO's the order for the recon unit. After that, one of the training objectives is to practice giving orders. For that the participants must show the location of their activities on the terrain model and carry out the orders and activities as if they were at the site.
3. The individual phases of the recon unit mission is practiced in steps. Here, the following partial objectives can be pursued:

- selection of the correct line of movement,
- discussion of security,
- giving orders,
- measures after striking upon the enemy
- decision,
- reporting, etc.

The advantage of terrain model training is that the company commander can represent the terrain according to his wishes and ideas. The preparation of a terrain model exercise requires no more time than an exercise in the field. Practically all partial objectives can be visibly exercised in the terrain model. For better representation, single pictures can be represented with a viewgraph or sound recording. The training is independent of the weather and not tied to a certain time of year. Follow-up preparation for in-service training can be carried out immediately at the training area - that is, the terain model room in the company.

I believe that NCO in-service training using the terrain model embodies so many advantages that the company commanders should directly exercise the subjects which represent the typical battle situations, and should not depend on the behaviour of the individual soldier.

Summary

In an age of technical advances with new and ever greater demands on technical understanding on the part of the NCO's, the NCO in-service training must increasingly contribute to further training the NCO on his equipment, until he masters it, so that he can then train his soldiers on it.

In addition, the NCO must be able to motivate and develop the soldiers. These demands make impossible to discontinue in-service training, because the young NCO is not yet in the position to do this.

It was intended to show that by orderly and early NCO in-service training planning, success will come with a reasonable relationship to the time spent. However, the significance of training in the various subject areas should also be highlighted.

It is not possible to offer a binding and all-encompassing representation of NCO in-service training for all combat troops equally - especially with regard to content and time allocation. The company commanders must determine in each case the type and scope of their NCO in-service training.

13071
CSO 3620/578

ARMED FORCES CHIEF WARNS OF BUDGET PROBLEMS, AGING WEAPONRY

Helsinki UUSI SUOMI in Finnish 17 Feb 86 p 9

[Article: "Weapons Becoming More Expensive and Service Life Shorter, Defense Forces Far from Goals"]

[Text] We are several hundred million markkaa short of the procurement goal recommended by the Third Parliamentary Defense Committee, states Defense Force Commander General Jaakko Valtanen. The development program recommended by this defense committee concludes this year.

In an interview granted to POHJALAINEN he considers that by condensing the overall development schedule of the Defense Forces from 15 years to 10 years enormous benefit could be achieved. "We have proceeded with too little money so that the schedule has begun to stretch out," he argues.

The commander of the Defense Forces proposes small steps for a corrective program so that there will not be a billion-markka shortfall in the procurement schedule in the 1990s.

According to General Valtanen, falling behind in procurements is the result of the rapid development in weapons technology, among other things, since weapons are becoming more expensive at a rate that is 2--6 percent faster than the overall expenditure level. Their service life is also becoming shorter as technical development advances.

10576
CSO: 3617/78

NORWEGIAN FLEET UNITS TO JOIN IN 'FLOTEX-86' EXERCISE

Oslo AFTENPOSTEN in Norwegian 28 Feb 86 p 10

[Article by Liv Hegna: "Norwegian Naval Units Participate in 'FLOTEX-86': Convoy to Northern Norway"]

[Text] The wind is good and the men are longing to go. This was the description given by the head of the coastal unit, Commander Kjell A. Prytz, of the situation of the Norwegian navy just a few days prior to the commencement of the FLOTEX exercise from the coast of Trondelag. Along with 2,000 officer colleagues and enlisted men, Prytz will participate in leading this year's marine exercise.

A total of 44 Norwegian ships, along with 15 from Britain, will exercise in the defense of supply routes from southern to northern Norway.

The commander of naval forces in northern Norway, Real Admiral Torolf Rein, emphasized in the written information which was distributed prior to the exercise that FLOTEX 86 will provide naval defenses with an excellent opportunity to show that naval forces cannot be stopped by darkness, weather or wind.

"If we use our weapons correctly and utilize all of the advantages which our own coast provides us, it will be uncomfortable for an aggressor to meet us on our home territory," Rein believes.

Convoy

Commander Prytz told AFTENPOSTEN that the ships will leave Trondelag on Monday to form a convoy with reinforcements for the northern part of our country. Not the least due to the fact that the Americans have their supply depots in this district, Trondelag has become the actual starting point for escort assignments from this area and farther north. Prytz states it as follows: "We are establishing naval protection against attacks on transport ships from submarines, surface ships and planes. Additionally, a mine war is an important area of concern during this year's large naval exercise."

The FLOTEX exercise has been planned in connection with the large land exercise by allied and Norwegian forces known as Anchor Express. During the entire exercise, NATO's surveillance plane, E3A (AWACS), will participate. During the previous Express exercise in 1984, the leaders of the exercise thought that the Norwegian units did not manage to utilize the amount of data which the NATO plane could provide. A main point in this year's exercise presumably will be to see whether there has been success in improving in this area.

12578
CSO: 3639/82

DEFENSE MINISTER SJAASTAD ENTHUSIASTIC OVER AWACS EXPERIENCE

Oslo AFTENPOSTEN in Norwegian 4 Mar 86 p 37

[Article by Liv Hegna: "Sjaastad: AWACS Planes a Success"]

[Text] Setermoen -- The experiences with NATO's AWACS surveillance planes have been better than we expected and hoped for when we began with this type of flights. We are now thoroughly examining the experiences, which will act as a basis when we are to establish the pattern for AWACS flights from Ørland. This was said by Defense Minister Anders C. Sjaastad at a press conference when he inspected the troops before the combat phase of the Anchor Express exercise begins. Sjaastad said in addition that military leaders will have to endure opposition from politicians after budget initiatives.

Anders C. Sjaastad commented on European Supreme Commander Bernard Rogers' statement to the effect that he supports the Norwegian armed forces chief in his views regarding doubling of the percentage increase in the armed forces budget in the years to come: "Rogers' initiative has not harmed relations between the military and politicians. But when military men present such initiatives they must count on getting a response in return," Sjaastad said.

To the question of whether he is worried that the British seem to have encountered problems when they are to replace their fleet which will carry amphibious forces to other countries, including Norway, the defense minister answered that according to his understanding there is broad perception in Great Britain of the fact that the defense of the homeland starts with the defense of Norway. "I hope that the British will support the amphibious capacity as these boats gradually become old."

"Amphibious operations are more flexible than stockpiling. For an enemy never knows where reinforcements will go on land," Sjaastad said.

German Commander?

What about regular German troops in the allied European Command's mobile forces, the so-called Fire Brigade? Sjaastad has this view of that: "I think it is an appropriate distribution of tasks such as it is know. But we have no complaints if at some time there should be a German commander of the Fire Brigade. Norway had no viewpoints in this regard when the present commander's successor was to be named," he said (there was strong competition from a German candidate when the choice fell on an Italian, Major General Franco Angioni from Santa Marinella in Italy).

Stockpiling

"We have finally received information from NATO regarding the fact that the financing of the stockpiles in the mountains in Trøndelag has been approved. The construction of the mountain facilities begins in the current year and will be finished around the turn of the year in 1989-90; accordingly, at the same time that we are finished with the stockpiling for an extra Norwegian brigade at Evenes in North Norway," Sjaastad said.

Regarding the proposal for a railway line from Murmansk to Kirkenes, Sjaastad said that this is an example where civilian and military interests are on a collision course. "We must not forget that communication lines can be used to convey an attack against us. But it is also of greatest interest defensewise that a population be maintained in South Varanger," the defense minister said.

As far as plans for stockpiling in general are concerned, Sjaastad said that little had been done in practice before the Willoch government took over. "Now conventional ammunition, fuel and spare parts have been stocked at our airfields. This program is part of SACEUR's Rapid Reinforcement Plan," Sjaastad said, but added that allied naval forces have taken part to too little an extent in exercises in the Norwegian Sea. "It is important that NATO display the flag in this region so that it does not develop into a 'mare sovieticum.' But the Soviet Union is also not present in this region on a permanent basis. I do not think that it is of practical use or politically necessary for the allies to be present on a permanent basis in the Norwegian Sea," Defense Minister Anders C. Sjaastad said.

8831
CSO: 3639/86

STORTING MP URGES NEW NATO COMMAND STRUCTURE FOR ARCTIC

Oslo AFTENPOSTEN in Norwegian 5 Mar 86 p 2

[Article by Storting Representative Tore Austad (Conservative Party): "Atlantic Command Over North Norway"]

[Text] NATO's command structure has largely speaking remained fixed since the integrated defense alliance was established. The biggest change has been that the headquarters of the European Command was moved from France to Belgium when de Gaulle pulled France out.

NATO has three main commands, with their limited responsibility for the alliance's total defense. They are the Atlantic Command, the Channel Command and the European Command. The European Command is in turn divided into three parts: the North Command with responsibility for the north flank, the Central Command with responsibility for Central Europe from the Elbe to the Alps, and the South Command with responsibility for the south flank.

The North Command with headquarters in Kolsås covers Norway, Denmark and Schleswig-Holstein. Norway in turn has two commands: the supreme commands for North Norway and South Norway.

An Island

Viewed strategically--in relation to the rest of the alliance--Norway is an island. All reinforcements and supplies must come by air or by sea. But not only this. North Norway is also in the strategic sense in many ways an island. Communications by land with South Norway are weak (one road and one railroad). These will be very vulnerable to being cut, so that reinforcements and supplies will have to go by air and sea also from south to north.

The north's strategic importance for the entire alliance has been increasing strongly. The most strongly developed military complex in the entire world is on the Kola Peninsula. In a given situation control over air and naval bases in North Norway will be among the highest-priority military objectives of the Soviet Union. This would involve a deadly threat to the entire defense of the alliance. Not least, this applies to the vital communications over the Atlantic.

Extortion

The frequency of Soviet exercises in our nearby areas is increasing. In addition, the exercise pattern shows that they are testing their ability to advance ever more deeply down into these waters. The biggest danger we confront is that we come /behind/ [in italics] the advanced Soviet lines of attack. The danger concerns not only a possible direct military attack, but also the fact that we can be vulnerable to political extortion. It is for this reason of the utmost importance to the defense of the northern half of the country that reinforcements, not only in the form of land and air forces, but allied naval forces, too, will be in position rapidly on such an occasion. It is only the Atlantic Command (SACLANT) which will have such forces. It is a question especially of aircraft carrier groups, the units with the greatest striking power.

Exercises

The increasing Soviet naval buildup and exercises in the north are also increasing the need for more frequent allied exercises. We cannot just passively accept the fact that the Norwegian Sea becomes a de facto "mare sovieticum"--a Soviet inland sea. All vital national security interests will then be at stake.

These conditions lead to the obvious conclusion that the ties to the Atlantic Command ought to be strengthened. Our strategic interests in the north will obviously be most strongly tied to this NATO command. It for this reason ought to be considered and discussed whether the consequences of this ought not to be taken also in a command and organization sense. This would imply that North Norway north of Namdalen [Nam Valley] will become part of the Atlantic Command, while the rest of the North Command (South Norway, Denmark and Schleswig-Holstein) would remain under the European Command. This would in turn involve the fact that the supreme commands for North Norway and South Norway would wear different NATO hats. This would surely involve some disadvantages, but it is not exceptional in the NATO context that a country be divided commandwise. (Cf. West Germany's division at the Elbe.)

Advantages

But it would in turn also involve obvious advantages. In particular, that the Atlantic Command's forces will be more easily added to the defense of North Norway. The strategic situation for South Norway and North Norway is essentially different. Defense measures--including command relationships--ought to be organized in accordance with this fact.

8831
CSO: 3639/86

'ANCHOR EXPRESS' EXERCISE REVEALS POOR ARMS MAINTENANCE

Oslo AFTENPOSTEN in Norwegian 5 Mar 86 p 4

[Article by Liv Hegna: "Poor Maintenance of Equipment: Armed Forces Receive Spanking Grades"]

[Text] Setermoen -- The refresher course guys give the armed forces spanking grades as far as maintenance of the machinery before the "Anchor Express" exercise is concerned. "Had I taken care of the materiel so badly I would have been fired from my civilian job," Lieutenant Arild Larsen of the engineers company of the Fifth Brigade says. He thinks that it is so bad in the maintenance aspect that a war would have stopped already in the beginning phase because of worn-down materiel.

Lieutenant Arild Larsen has been in for refresher training since 13 February. He and his fellows have used the time almost continuously on correcting mistakes and defects in the materiel the armed forces distributed. Larsen emphasizes that in the case of a real war a chance would perhaps have been taken on sending a trailer without brakes onto the road, but for safety reasons soldiers cannot be exposed to such dangers in peace time.

Arild Larsen is the sales head and second-in-command at the Lillestrøm Transportutstyr A/S [Transportation Equipment, Inc.] firm. During the refresher training he has responsibility for maintenance in the brigade's company of engineers.

Lieutenant Arild Larsen tells AFTENPOSTEN that 20 percent of the mechanical equipment was not at all in usable condition when it was handed out before the "Anchor Express" exercise. The rest was also almost just a headache, according to Larsen. He thinks that it has never been so bad as this year. He himself has taken part in exercises since 1975.

Furthermore, Lieutenant Larsen questions the armed forces' priorities as far as the procurement of mechanical equipment is concerned: "We have big bulldozers but do not get tow trucks to get them out into the field. It is exactly like buying parachutes but not planes," Lieutenant Arild Larsen says to AFTENPOSTEN.

8831
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MILITARY NORWAY

GENERAL WARNS AGAINST EXAGGERATING SOVIET THREAT IN NORTH

Oslo ARBEIDERBLADET in Norwegian 6 Feb 86 p 8

[Article by Grete Berget: "'Soviet Threat Exaggerated'"]

[Text] Leangkollen -- Lieutenant General Tønne Huitfeldt advises against exaggerating the negative effects of the Soviet naval buildup in the north. Huitfeldt thereby does not share without reservation Armed Forces Chief Fredrik Bull-Hansen's expressed desire for increased American presence in this area.

"There is no doubt that the Soviet naval buildup has been considerable, but it may also be appropriate to direct a caution against exaggerating the negative effects--and thereby contributing to giving the statement a self-fulfilling effect," General Huitfeldt said at a seminar to the Atlantic Ocean Committee. He thereby expressed a considerably more nuanced attitude toward increased American presence in nearby areas than other central military professionals.

Huitfeldt pointed to the report in the media of Soviet naval exercises and the report in the more offical press statement. He cautions against using expressions like "lines of defense" in this connection, expressions which previously belonged only in the army vocabulary. "In the army context such expressions imply that if lines of defense or positions are broken through or outflanked, the battle is lost, locally in any case. This is not the case and can also not be so in naval warfare--with the distances which it is a question of here, even with the increased range of naval weapon systems. We must also be careful about attributing a decisive role to the naval forces, as important as they are," Huitfeldt emphasized, and pointed to a Norwegian foreign policy dogma during the entire period from 1905 to 1940. Namely, that if the first assumption regarding the fact that the major powers would be most interested in keeping Norway outside a clash between them should prove untrue, then the Norwegian armed forces would have other assumptions to fall back on. Superior British naval power was to prevent the Germans from gaining a foothold in Norway. Of course, it did not happen this way. Airplanes and the geographical factor altered the capacity and possibilities of naval warfare.

Justifies

Huitfeldt cautioned further against using expressions like "lines of defense" and "that the Soviet Union is exercising in defense in the Norwegian Sea." "The use of these expressions gives the activity a legitimate and justified character. This cannot possibly be correct when it is a question of cutting off communication lines between the Western allies. If this is pursued too far, it is certainly possible to come to the point of classifying the Soviet attack on Finland in 1939 and the invasion in Afghanistan as defensive warfare," the lieutenant general said.

Free Win

Both Armed Forces Chief Bull-Hansen and Admiral Ingebrigtsen have expressed the desire for increased naval presence in the north from American quarters as a response to the increased Soviet activity in this area. Huitfeldt raised several fingers of warning.

"Let us not contribute to giving them a free win with the report of naval exercises in peace time. This could give some the feeling of hopelessness, something for which there is no basis in reality."

He referred to the fact that an exercise in peace time cannot be used as a basis for firm conclusions regarding intentions and actual possibilities in a war. "The exercises do not say anything about what these vessels will be capable of in situations with active countermeasures by NATO's naval and air forces, and in ocean areas where they are beyond the range of their own air support."

Stockpiling

At the seminar Huitfeldt came out with the following sensational statement on the issue regarding stockpiling of American materiel:

"Although the issue was dramatic both politically and militarily, it was a better solution than what we originally asked for and hoped for. Although it was a more expensive solution. As we know, the original plans were to the effect of deployment in Troms, but the outcome was deployment in South Trøndelag."

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CSO: 3639/86

MILITARY NORWAY

PAPER URGES WIDER DEBATE ON FUTURE DEFENSE MISSION, STRUCTURE

Oslo AFTENPOSTEN in Norwegian 4 Mar 86 p 2

[Editorial: "What Kind of Defense?"]

[Text] The armed forces chief created a stir in November of last year through an address in which he confronted the political leadership with two alternatives: either a considerable increase in funds for the armed forces, or reduced defense. Researchers and military professionals took up General Fredrik Bull-Hansen's sharp wording and discussed the future defense system. In political quarters, on the other hand, they were either offended that the armed forces chief expressed himself at all, or his words were seen as an affirmation of the fact that the armed forces are in a miserable state.

The third view was aired during the Armed Forces Association's debate meeting in Oslo on Thursday of last week. Or should one rather say lack of a view? In spite of increasing activity and a formidable military potential in our powerful neighbor to the east, as well as dramatically rising costs for procurements for the armed forces, members of the Storting's Defense Committee had no signals to give regarding our future structure.

The justification for this aloofness was cited to be the fact that we have a current defense plan in which the increase rate has been set at 3.5 percent via the Storting's annual appropriations. No reason has been found to change this percentage, and the specific materiel needs our armed forces face, and which are publicly known, were not commented on or expanded on during the debate. The only party which already at this time is willing to take a position on--and support--the armed forces chief's proposal regarding a 7.5-percent increase is the Progressive Party. In those circles, they want, in turn, to take the money from aid to underdeveloped countries and agriculture subsidies.

No one claimed that we already at this time must replace the current defense plan with a new one, but we have doubts about the lacking intellectual flexibility our defense policy people are displaying toward the problems of the future. Figure scales adopted and structures accepted today provide no excuse for not discussing how we will best maintain a credible defense system up to the turn of the century, as the armed forces chief has asked us to after a job of thorough analysis. Today we have "a reasonably good defense system," as it was said in the debate. Already now our politicians should give some signals regarding how we will continue to guarantee this, and we agree with General Tønne Huitfeldt, who pointed out that we can no longer evade a debate.

Such a debate must be conducted with the deepest seriousness and proceed from the extraordinarily high interest in defense which has been recorded among our people. There will be understanding of the fact that the armed forces must be top priority and that the question must continue to be which duties our armed forces are to cover. Things will have to be going badly with our social economy before we accept a relative weakening of our effort in this area. Up to now a high degree of agreement regarding this view has prevailed. Why, then, not take up the gauntlet from the armed forces chief?

8831
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MILITARY

NORWAY

BRIEFS

SUBMARINE COMPONENT CONTRACT--NEBB has been awarded a contract for converters and battery generators for the navy's new submarines which are being built in West Germany. The order involves six boats in the Ula class and has a value of 48 million kroner. The equipment is to be delivered from 1987 to 1991 and is to be produced in the firm's plant at Skoyen in Oslo. [Text] [Oslo AFTENPOSTEN in Norwegian 13 Feb 86 p 42] 12578

CSO: 3639/80

MILITARY SWITZERLAND

ARMS PROCUREMENT PROCESS, PRODUCTION CAPABILITIES DETAILED

Military R & D, Procurement Process

Bonn WEHRTECHNIK in German Feb 86 pp 37-42

[Article: "The Group for Defense Services"; first paragraph is WEHRTECHNIK introduction]

[Text] A special WEHRTECHNIK seminar in October 1985 was dedicated to the theme, "Switzerland--a Neutral State, Its Procurement Policy and Procedures Under the Special Consideration of the LEOPARD 2." The central agency for research, development and procurement is the Group for Defense Services [GRD], whose tasks and procedures, based upon a report by Director Rene Hubert, deputy armament chief, are presented in the following. Comments by Peter Lyoth, chief of the commercial department for flight hardware in the GRD, is the basis for the section on international arms cooperation.

The Group for Defense Services (GRD) is a part of the Federal Military Department (EMD), which is approximately equivalent to a defense ministry, and has functions similar to those of the BWB [Federal Office of Military Technology and Procurement] in Coblenz. To be sure, the state armament plants are also subordinate to it.

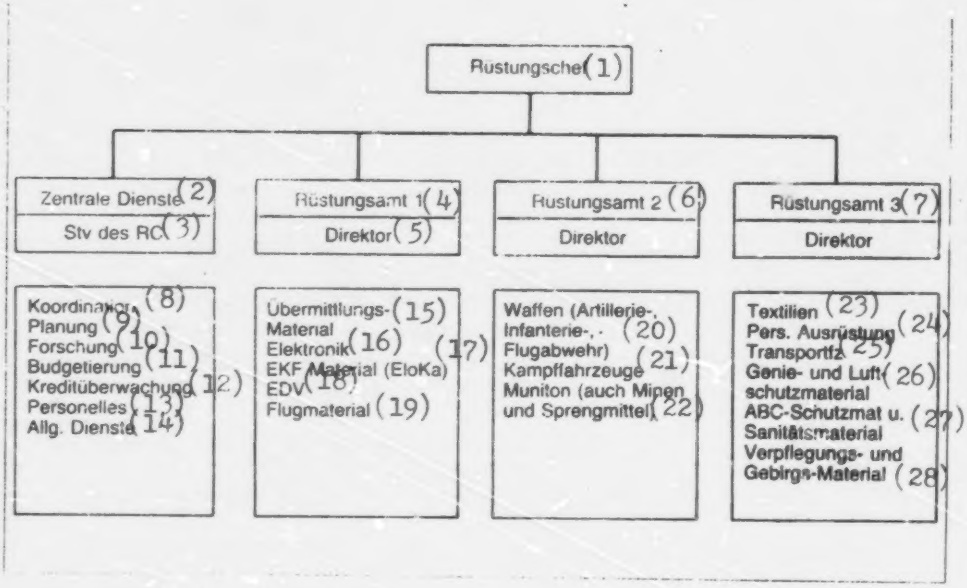
The GRD has responsibility for the handling of the scientific, technical, industrial, economic and financial questions in connection with the research, development and procurement of defense material. The GRD is thus an important public contracting authority. On an annual average for the years 1980 through 1984, the payments of the GRD amounted to 45 percent of the total expenditures of the EMD, of which about 1.2 billion Swiss francs, or 70 percent (55 percent to private industry and 13 percent to state armaments plants), were spent domestically and 500 million Swiss francs abroad. The work covered 6,000 orders annually and about 5,000 suppliers. In detail for 1984, these were as in the table below.

In Switzerland, defense material procurement amounts to 0.85 percent of the gross national product.

Economic Groups	Millions of Swiss Francs	Number of Firms
Metals, machinery and apparatus	980.8	2,620
Textiles	57.5	371
Leather and shoes	43.5	140
Chemicals	14.4	318
Rubber (excluding tires)	11.9	39
Wood (excluding firewood)	7.2	144
Automobiles including tires	148.1	225
Plastics	8.8	116
Miscellaneous	37.2	1,089
Administration	173.2	153
Foreign	356.6	587
Total	1,839.2	5,802

The Organization

The central administration of the GRD was reorganized in mid-1983. Indeed, the change was from a functional organization structured in accordance with the functions research/development, procurement and production to organization according to production areas. The deputy armament chief leads the Central Services, the director of Armament Office 1 manages the area of flight, command and transmission material, Armament Office 2 includes weapons, combat vehicles and ammunition, and Armament Office 3 covers vehicles, engineering, and equipment, and NBC and special material. The central administration, that is, the Central Services and armament offices 1,2 and 3 have a total of 850 employees. The GRD personnel are functionally divided as follows: 29 percent technology, 26 percent commerce, 33 percent technical positions, and 12 percent quality control.


Rüstungschef (1)
Zentrale Dienste (2)
Stv des RC (3)
Rüstungsamt 1 (4)
Direktor (5)
Rüstungsamt 2 (6)
Direktor
Rüstungsamt 3 (7)
Direktor
Koordination (8)
Planung (9)
Forschung (10)
Budgetierung (11)
Kreditüberwachung (12)
Personelles (13)
Allg. Dienste (14)
Übermittlungs- (15)
Material
Elektronik (16)
(17)
EKF Material (EloKa)
EDV (18)
Flugmaterial (19)
Waffen (Artillerie-, Infanterie-, Flugabwehr) (20)
Kampffahrzeuge (21)
Muniton (auch Minen und Sprengmittel) (22)
Textilien (23)
Pers. Ausrüstung (24)
Transportfz (25)
Genie- und Luftschutzmaterial (26)
ABC-Schutzmat u. Sanitätsmaterial (27)
Verpflegungs- und Gebirgs-Material (28)

In Mid-1983, the Central Administration of the GRD Was Reorganized From a Functional Organization to an Organization According to Project Areas

Key:

1. Armament chief
2. Central Services
3. Deputy armament chief
4. Armament Office 1
5. Director
6. Armament Office 2
7. Armament Office 3
8. Coordination
9. Planning
10. Research
11. Budgeting
12. Credit control
13. Personnel affairs
14. General services
15. Transmission hardware
16. Electronics
17. Electonic Warfare Hardware
18. Electronic data processing
19. Flight hardware
20. Weapons (artillery, infantry, and antiaircraft)
21. Combat aircraft
22. Ammunition (including mines and demolition material)
23. Textiles
24. Personal equipment
25. Transport vehicles
26. Engineering and air defense material
27. NBC protection and medical supplies
28. Rations and mountain supplies

The Federal Armament Plants

The GRD has six armament plants of its own that are brought together in a Federal Office for Armament Plants. This federal office has its own accounting. The individual armament plants are largely autonomous and are basically managed like private companies. They work almost exclusively in the armament area and accordingly are completely dependent upon orders from the central administration of the GRD. One is striving for the clearest possible demarcation of the fields of activity among the federal armament plants and private industry. In the foreground here is partnership and not competition. See table below for armament plants, number of employees and sales figures.

The Armament Plants in Key Words and Figures

Armament Plants	Abbrev.	Year Founded	Most Important Product Areas	Number of Employees	1984 Sales (mil. Fr.)
Federal Design Workshop, Thun	K + W	1863	Combat aircraft, artillery and antitank guns	1,017	179
Federal Ammunition Factory, Thun	M + FT	1863	Small-caliber and pyrotechnic ammunition, fuzes and initiators, protective breathing equipment	1,157	184
Federal Ammunition Factory,	M + FA	1896/ 1903	medium and large-caliber ammunition, unguided rockets,	1,055	157

Altdorf	demolition material

The Armament Plants, continued

Armament Plants	Abbrev.	Year Founded	Most Important Product Areas	Number of Employees	1984 Sales (mil. Fr.)
Federal Weapons Factory, Bern	W + F	1871	Infantry weapons, mine launchers, simulation and training systems	528	63
Federal Powder Factory, Wimmis	P + F	1919	Propellants for all types of ammunition including rockets	440	40
Federal Aircraft Factory, Emmen	F + W	1943	Aircraft, helicopters, drones, guided weapons, space operations	726	147

The main tasks of the federal armament plants are:

--performance of service as extended technical offices for the central administration of the GRD;

--assistance in the evaluation and testing of armament;

--development and production of propellants and ammunition;

--function of general contractor in joint programs for armament of foreign origin;

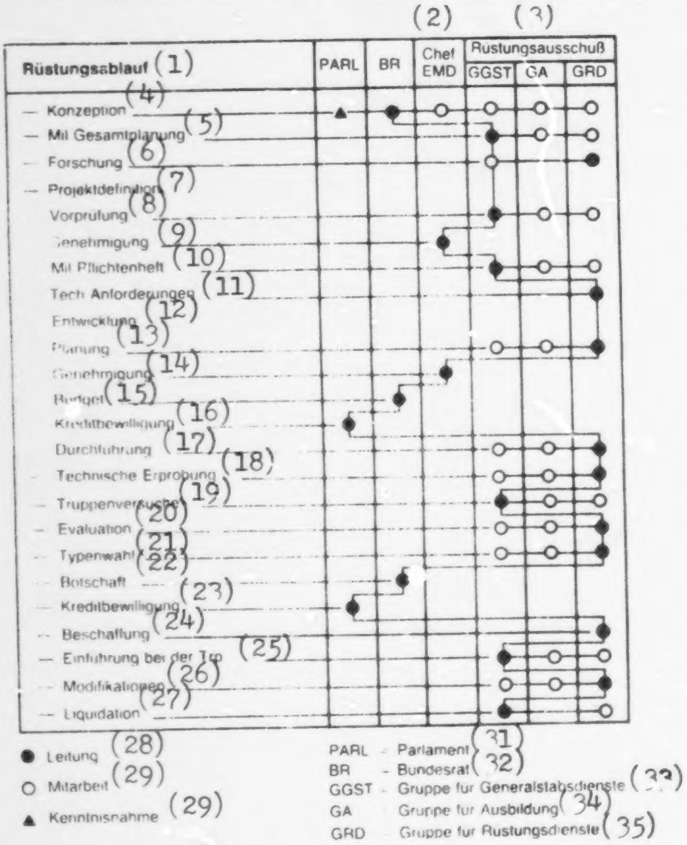
--final assembly for large procurement projects, as in the area of tank, flight and artillery hardware;

--implementation of the modification service during the utilization phase.

The armament sequence--in our case, designated as the course of procurement for military hardware--is represented in the table on the next page. The most important authority for coordination and control in the armament sequence is the Armament Committee composed of the general staff chief (GGST [Group for General Staff Services]), training chief (GA [Training Group]), armament chief (GRD) and the commander of the air defense units (kdt FF Trp).

The basis for every armament project is a military duty manual to be issued by the general staff chief. It includes: intended use and mission (justification, procurement scope, and time relationships), system requirements (tactical requirements, performance specifications, and environmental conditions) and logistical requirements (maintenance, repair service, training concerns, and documentation).

Relying on the military duty manual, the armament chief issues the appropriate technical specifications that include the technically measureable magnitudes such as performance data, environmental specifications (shock, vibration, temperature and humidity), operation and applications, etc.


(2)
(3)
Rüstungsablauf (1)
PARL
BR
Chef EMD
Rüstungsausschuß
GGST
GA
GRD
— Konzeption (4)
— Mil Gesamtplanung (5)
— Forschung (6)
— Projektdefinition (7)
Vorprüfung (8)
Genehmigung (9)
Mil Pflichtenheft (10)
Tech Anforderungen (11)
Entwicklung (12)
Planung (13)
Genehmigung (14)
Budget (15)
Kreditbewilligung (16)
Durchführung (17)
— Technische Erprobung (18)
— Truppenversuche (19)
— Evaluation (20)
— Typenwahl (21)
(22)
— Botschaft
(23)
— Kreditbewilligung
(24)
— Beschaffung
— Einführung bei der Trp (25)
— Modifikationen (26)
(27)
— Liquidation
● Leitung (28)
○ Mitarbeit (29)
▲ Kenntnisnahme (29)
PARL - Parlament (31)
BR - Bundesrat (32)
GGST - Gruppe für Generalstabsdienste (33)
GA - Gruppe für Ausbildung (34)
GRD - Gruppe für Rüstungsdienste (35)

Key:

1. Armament sequence
2. Chief of the EMD
3. Armament Committee
4. Concept
5. With overall planning
6. Research
7. Project definition
8. Preliminary testing
9. Approval
10. With duty manual
11. Technical specifications
12. Development
13. Planning
14. Approval
15. Budget
16. Extension of credit
17. Implementation
18. Technical testing
19. Operational tests
20. Evaluation
21. Type selection
22. Message
23. Extension of credit
24. Procurement
25. Field introduction
26. Modifications
27. Liquidation
28. Management
29. Cooperation
30. Cognizance
31. Parliament
32. Executive Federal Council
33. Group for General Staff Services
34. Training Group
35. Group for Armament Services

Technical testing is supposed to indicate whether the performance data established in the Technical specifications are being met. The goal is the achievement of technical readiness for procurement. The technical testing is carried out by the technical offices of the GRD and by the armament plants.

The operational tests are based upon the military specifications. They include a check of applications and suitability in field conditions and in the militia and serve to develop the definitive operational concept, training concept and maintenance concept. Finally comes the statement of troop fitness by the general staff chief.

The following crieria are valid for the subsequent evaluation of readiness for procurement:

--technical examination of the hardware;

--testing of the hardware;

--initial operational capability of the hardware;

--scope of procurement;

--effects on the infrastructure;

--cost calculation;

--risk evaluation;

--industrial and economic viewpoints.

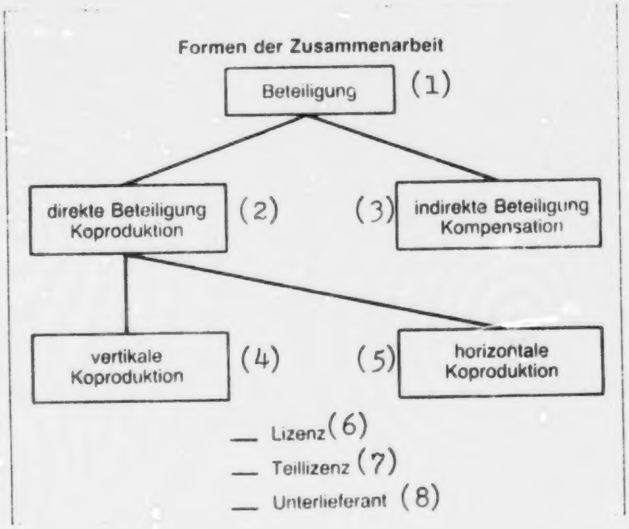
On the average, the following time relationships are valid for the armament sequence: 1 to 2 years are needed for the planning and military requirement, 1 year for the extension of credit for the research, development and test program, 1 to 4 years for the development including technical testing, 1 year for the operational test, an additional year for the message and credit approval and, finally, 1 to 3 years for procurement, so that the equipment can be fielded after 6 to 8 years.

Cooperation With Industry

The Armament Commission serves to promote cooperation with industry. Every 6 months, the general staff chief and the armament chief hold talks with the heads of industry. The Union of Swiss Mechanical Industrialists (VSM) is the GRD's partner for the handling of additional questions in armament and business policy. The individual branches are partners of the GRD for the elaboration of medium and long-term development and procurement planning. The Swiss Association for War Technology (SKG) is a forum for the GRD for the discussion of basic questions. Mixed working groups between the administration and industry elaborate the bases for the armament policy of the legislature. These working groups exist for the areas military communications technology, combat vehicles and tube weapons, vehicles, ammunition and flight hardware.

International Arms Cooperation--Possibilities and Limits for Switzerland

The increasing foreign dependency of Switzerland in the procurement of complex armaments necessarily also brings the small neutral country a greater confrontation with questions of international cooperation in the armament area.


Formen der Zusammenarbeit
Beteiligung (1)
direkte Beteiligung Koproduktion (2)
(3) indirekte Beteiligung Kompensation
vertikale Koproduktion (4)
(5) horizontale Koproduktion
Lizenz (6)
Teillizenz (7)
Unterlieferant (8)

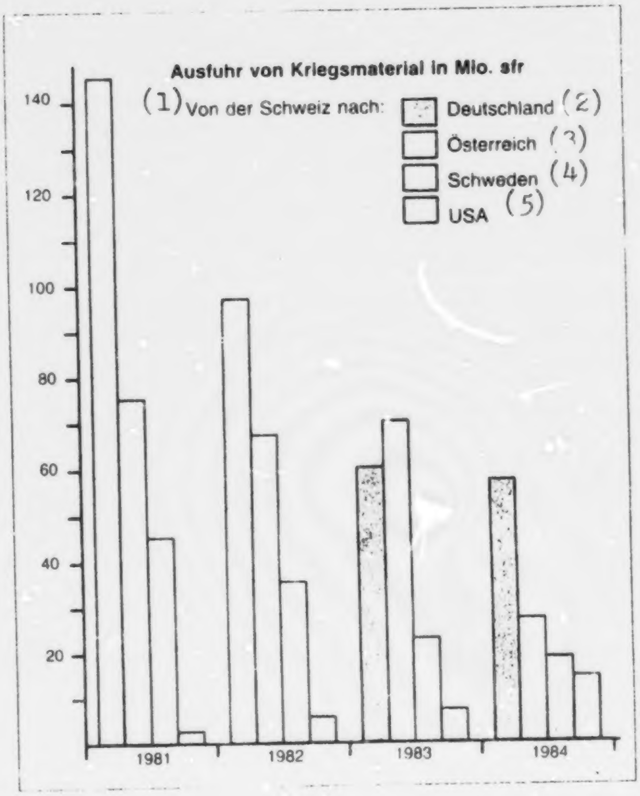
Forms of Cooperation

Key:

1. Participation
2. Direct participation
   Cooproduction
3. Indirect participation
   Compensation
4. Vertical coproduction
5. Horizontal coproduction
6. License
7. Partial license
8. Subcontractor

Because of the Swiss policy of neutrality, the goals and motives for cooperation differ in certain areas from those of the FRG. Whereas in the latter it is military and economic reasons that support the political will for arms cooperation in the alliance, in the case of Switzerland it is security and defense policy considerations that necessitate international arms cooperation. So there are certain similarities in regard to defense policy and arms exports as well as in reference to the industrial and economic circumstances. In Switzerland as well, national defense is dependent upon domestic industry, even though there are certain areas where one cannot get along without foreign hardware. Just as in Germany, Swiss industry also has an interest in utilizing its development and production capacities constantly and evenly. The requirement of the armed forces is thereby low, however, when measured against modern industrial scales. Because armaments are generally replaced only after a long time, one can expect continuing orders only in rare cases. Orders from abroad help to bridge such employment gaps. The development of armaments in Switzerland is always desirable and to be promoted in those areas whose scope of procurement permits a distribution of development costs that is appropriate relative to the procurement costs. It is necessary where the hardware is not available abroad, where independence from foreign suppliers is especially important, or where secrecy requires it. If a development cannot be carried out in Switzerland, then participation by Swiss industry is to be sought in the procurement of armaments developed abroad. The guiding principle for international cooperation is: Technical cooperation with other countries in armaments can occur to the extent that the policy of neutrality, intergovernmental agreements and industrial requirements permit it.

Primary emphasis is to be put on the direct cooperation of individual firms. For joint research and development, reasons of neutrality policy and the interest in maintaining the country's independence dictate that cooperation should primarily be sought with neutral states.



Exports of Military Hardware in Millions of Swiss Francs

Key:

1. From Switzerland to
2. Germany
3. Austria
4. Sweden
5. United States

As in the FRG, the entire arms production in Switzerland accounts for only a few percent of the annual value of the production of the manufacturing industry. In Switzerland as well, the ties of the labor market to defense orders are not great in percent terms. Based upon their security interests and their foreign-policy goals, both countries pursue a restrictive policy with respect to arms exports, especially relative to Third World countries. The results of this restrictive policy are seen in the negligible share of armaments in the overall exports of the two countries. This share averages less than 1 percent and amounts to about 400 million Swiss francs on an annual average. In the practice of international cooperation in arms technology, direct forms of cooperation are carried out through licensing and partial licensing and subcontractor relations and indirect forms of participation through compensation.

To the extent that joint research, development or production is being considered, reasons of neutrality policy and the interest in preserving independence dictate that cooperation should primarily be sought with neutral countries; the main emphasis should thereby be given to promoting direct cooperation of individual firms.

The evaluation of the difficulties in international cooperation is basically similar to that of the FRG: apart from the limitations that result from the aspects of the neutrality policy, the most important obstacles are seen to be the different military concepts in regard to requirements, time periods and finances, the different capabilities of the partners in regard to technology, industry and the economy and, most recently, national protectionist measures.

In conclusion, the current and planned projects in international arms cooperation are summarized below.

Vorhaben (1)	Laufzeit (2)	Partnerland (3)	Art der Beteiligung (4) Direkt (5)	Art der Beteiligung (4) Indirekt (6)
TIGER F-5	1975-1987	USA	●	●
DRAGON	1978-1989	USA	●	
PINZGAUER	1978-1982	A	●	
M 109	1980-1986	USA	●	
RAPIER	1980-1987	GB	●	●
MAVERICK	1982-1990	USA		●
LEOPARD	1984-1991	Deutschland	●	●
ELSALEO Elektronische Schießausbildungsanlage (7)	1985-1994	Deutschland	●	●
TAFLIR Takt. Flieger-Radar (8)	1985-1990	USA		●
EKF Elektronische Kampfführung (9)	1985-1993	Großbritannien		●
SCHIESS-SIMULATOR (10) (Dragon/Leopard)	1984-1989	Deutschland	●	
(Lwl-Pzj) (11)	1986-1991	Deutschland	●	
HG 85 Handgranate 85 (12)	1985-1989	Deutschland	●	
DISTANZMESSER (13)	1985-1990	Norwegen	●	
UHF/VHF BODENFUNK (14)	1985-	Deutschland USA		●
LWF-PZJ (11) Lenkwaffe Panzerjäger (11)	1986-1993	Norwegen	●	●
Jet-Schulflugzeug (15)	1987-	F, D, GB	●	●

Examples of Current and Planned Projects With International Arms Cooperation

Key:

1. Project
2. Period to run
3. Partner country
4. Type of participation
5. Direct
6. Indirect
7. Electronic marksmanship training system
8. Tactical antiaircraft radar
9. Electronic warfare
10. Firing simulator
11. Guided weapon tank destroyer unit
12. Hand grenade
13. Distance measurer
14. UHF/VHF ground radio
15. Jet trainer

Firms, Product Lines Surveyed

Vienna OESTERREICHISCHE MILITAERISCHE ZEITSCHRIFT in German Jan/Feb 86 pp 37-48

[Article by Hans Sigmund: "The Armaments Industry of Switzerland"]

[Excerpt] Domestically, a total of about 12,000 workers are working in the private and public armaments plants, including about 4,000 in the plants of the EMD. That leaves about 8,000 employees in the private armaments industry, whereas there are about 300,000 people employed in the machine and watch industry alone. It is thus clear that the exportation of weapons involves goods of the highest quality and therefore of commensurate value creation.

The government and parliament, who have ultimate responsibility for where monetary resources are invested, therefore demand optimum efficiency in arms deliveries so as to ensure maximum combat effectiveness for the army. So one refrains from all "promotion intentions" through cheap protectionism and purposefully subjects his own armaments industry to the toughest foreign competition.

To be sure, federal aid cannot be overlooked: as has already been intimated, the armaments plants of the EMD often produce those arms that private industry considers generally unpofitable and unexportable. But the EMD must calculate from a strictly commercial point of view and therefore run its plants with a certain "basic load," which is only possible when the planning is very long-term and realizable. In addition, the armament policy of the EMD purposefully allows quasi-monopolies of individual enterprises in certain areas, especially in the case of high-value armaments or large-scale projects.

That is without danger as long as foreign enterprises can participate fairly in the competition beginning with the project evaluation, accurate insights into the calculation are possible, and there is justification for mutual trust. If certain work cannot be expected from its own industry at a fair cost, the EMD assists in the acquisition of licenses in that it, as a rule, investigates their technical value itself.

Furthermore, the EMD promotes systematic research work within the scope of federal research support. There is a fundamental aim to create the know-how for army armament domestically. So in contrast to the willingness to take over proven foreign licenses, there are reservations about the issuance of orders for research and development abroad. Where this is possible, all specialties should be covered by their own development activities, which naturally in no way means that all of their own developments will be realized. Where in special cases--usually for economic reasons--foreign developments are taken up, then only after objective analysis, investigation and testing, until the latest state of technology is thoroughly understood and assessed.

The extent to which industry and EMD are satisfied with the results of such cooperation varies: it is the opinion of many critics that there is still too much spontaneity and too little institutionalization in the relations, whereby one is thinking about a joint strict "research council" (EMD/industry/state research), etc. With such an organization, it should be possible--long before a new requirement is apparent from the military model--to see to it that projects as such can be demarcated and defined, that is, the technology receives a head start that makes the chances and difficulties in its realization as well as the time and cost requirements discernible at the beginning of development.

With the background of this information, with which an attempt was made to present essential characteristics of Swiss armaments sectors, we now turn to a description of some representative plants, their activities, main products and performance.

The Federal Armaments Plants

This is taken to mean a group of factories that--in part developing from old workshops at today's site--are the army's "arsenal plants." Through the Federal Office for Armament Plants in the Group for Armament Services, they are indirectly subordinate to the EMD. In principle, they work according to the rules of self-management. That is, they are profit-oriented to the extent that this is possible with the long-term planning of the EMD that they have to follow. Since the EMD is obliged to meet its requirements under optimum conditions, the factories are set up in the most up-to-date manner and are run in accordance with true management criteria.

The two oldest plants (founded in 1863) are in Thun and they are the Eidgenoessische Konstruktionswerkstaette [Federal Design Workshop] (KW) and the Eidgenoessische Munitionsfabrik Thun [Thun Federal Ammunition Factory] (MFT). Up to now, all artillery pieces introduced into the Swiss Army were developed and built at the KW or, in some cases, were manufactured under license. The works always had internationally esteemed ballistics experts at its disposal. It is the only Swiss plant in which large-caliber weapons can be manufactured.

When the army bought the Centurion tank in 1955, it was revised at the KW, adapted in detail to the special requirements, and taken care of at all repair stages. In this way, a great potential in test equipment for tank construction was established, which ultimately suggested the development of domestic Swiss tank production, still one of the main activities of the works.

It began with the Pz 61, with which the competence of the KW for tank building was proven, and finally followed the various series of the Pz 68 and of type-related versions. The KW took over the function of general contractor for the firms in private industry involved in tank construction, whereby private industry, in turn, handled about 70 percent of the volume of orders.

As everybody knows, the new Swiss battle tank Leopard II is not a KW design but the enterprise will exercise the decisive testing and control function of the project as well as tasks in maintaining and increasing combat effectiveness. In essence, then, it appears that the KW, because of an outstanding provisioning with test equipment for all tank subsystems, is becoming an exquisite testing and research center for the building of battle tanks.

At the MFT, the main emphasis of the work is on the efficient mass production of small-caliber ammunition and on the area of pyrotechnics. In addition, fuzes, detonators and blasting caps are manufactured here using the most up-to-date methods. Since Switzerland consumes only a minimum amount of live ammunition but, on the other hand, has large stocks of standby ammunition, it is sometimes necessary, in addition to control, to do some reworking. This process is handled economically: about 80 percent of the ammunition components are reused and the explosive itself is fully regenerated. Furthermore, it is here where the tasks of the elimination of unexploded rounds and the destruction of superannuated ammunition are concentrated.

An additional support of Swiss ammunition manufacturing is the Altdorf Ammunition Factory (MFA). Here artillery ammunition is manufactured on a large scale. Among other things, the factory is equipped with high-quality automatically controlled machines for non-cutting cold and warm forming and cutting cold forming. Since Switzerland introduced the Dragon antitank system and the Rapier antiaircraft system, their essential projectile components are manufactured here. Also manufactured are airdropped ammunition, mines, hand grenades and various types of demolition material. The foundry for explosives and explosive mixtures is operating with the most up-to-date safety devices.

All ammunition factories work with propellant powders produced at the Wimmis Powder Factory (PF). In accordance with the Federal Constitution, the manufacture of propellant powder is a federal monopoly, whereby the PF became the monopoly holder for the production of propellant charges for artillery and rocket artillery. Highly qualified chemists are working at the factory, this being necessitated by the federal mission as well as by the constraint of adapting propellant technology to the still-increasing demands of weapons technology. One can count on further development, especially in the direction of automatic process control while maintaining the highest level of operational safety.

The main production of infantry weapons is in the Bern Weapons Factory (WF). In its time, the firm developed the Swiss machine gun and the rocket tube and was notably involved in the production of the SIG-Automatic Rifle 57. Since the most up-to-date facility for the manufacture of cold-formed barrels is located there, the factory can also be sure of a large share of the production of the new automatic rifle.

A very interesting development is the double-barreled fortress grenade launcher in 12-cm caliber. Besides the high rate of fire that is the primary objective, the weapon--with semiautomatic reloading--has a remarkably small degree of dispersion. Conventional grenade launchers in 8.1 and 12-cm caliber are also being manufactured. A remarkable design success was the development of the automatic loader for the 15-cm self-propelled howitzer M-109, which is also being reproduced abroad under license.

This firm as well is taking into account modern trends in military technology, especially with the manufacture of firing simulators for various weapons, including the internationally known Florett System.

The Eidgenoessisches Flugzeugwerk Emmen [Emmen Federal Aircraft Factory] (FW) was employed as the general contractor for the licensed production and final assembly of all postwar aircraft procurement--that is, the Vampire, Mirage and F-5 types as well as the Alouette III. The plant thus had a leading role in familiarizing Swiss industry with the aircraft subsystem and component manufacture. In addition, the FW had to carry out the conversion of Swiss combat aircraft to other operational tasks, because, as everyone knows, Switzerland extends the service and working life of all weapon systems to the limit. The probable next problem of this type is the conversion of the F-5 area-protection fighter to suitability for low-altitude attack.

Naturally it is precisely in the air-armament sector that it comes to temporally longer and in effect difficult-to-estimate gaps in orders, so that today the factory has in part switched over to the guided-weapons sector: it is general contractor in the Dragon and Rapier system. In addition, it was possible to fall back successfully on the civilian market, namely the production of parts for the Airbus and the DC-9-80 as well as assistance in the Ariane Project. It is thereby important that one remain in close touch with modern high-performance technology even when army orders decline. This will be urgently needed when a new Swiss combat aircraft is introduced.

This seems to be the place to go into some still-current procurement practices that in the nature of their execution were possible only with the participation of an enterprise such as the Emmen Aircraft Factory:

The Rapier procurement program with about 60 units may well require about 1.2 billion Swiss francs. As everyone knows, it thereby involves a just recently war-tested system for antiaircraft defense at lower and medium altitudes that the army will employ for the air defense of its mechanized divisions. For this purpose, the firing units from each of two Pinzgauers are to be pulled on trailers. The operation of each firing unit will require about eight soldiers. For about 50 million Swiss francs, the EMD has acquired the reproduction licensing rights for this certainly expensive but promising system and, as already mentioned, the FW has been brought in as general contractor. Thus, in addition to the participation of private firms in the realization of the project, a labor force of about 140 highly qualified workers is ensured for at least 5 years at the aircraft factory.

Through federal technical help, the Rapier System was improved to the point where it can now be operated in the firing position by just one man, providing for automatic or manual target designation as well as an automatic threat analysis, a higher quality of electronic countermeasures, and an automatic error analysis. The overall result of the Swiss contributions is an abrupt improvement in quality. It is clear from this example what the demand of the EMD in the "Guidelines for the Formation of a National Armament Policy" (1971) actually means, in which it states: "...the technical knowledge must come from practical experience and not merely from sales brochures. Therefore, tests are to be carried out at home and abroad to the extent necessary to assess the state of the technology."

A similar procedure was followed in the procurement and reprocurement of the F-5 Tiger with the participation of Emmen: Apart from a few complete aircraft flown in from the United States, essential components were again manufactured under Swiss license by FW--this time in close cooperation with the firm Pilatus and FWA. Domestic orders reached a value of 65 million Swiss francs with 130 employees for 25 years. Compensation deliveries to Northrop and General Electric for 50 percent of the total order amounting to $250 million in favor of the Swiss aeronautical industry are likewise being arranged.

Such a policy presupposes:

--procurement of a current aircraft type from a leading production country with a long utilization period and sure international market chances,

--presence of a an already-qualified aeronautical industry with the ability to learn, no matter how small it may be in comparison with that of the United States,

--the capability of offering products at the same costs and in the same quality (open market) as the U.S. firms.

The role of the Emmen Aircraft Factory in the modernization of the old Hunters was similar, although the dimensions were smaller. After the basic aerotechnical overhaul, the aircraft are equipped with Maverick air-to-ground weapons (TV-guided). As further armament, the aircraft will carry 80-mm Oerlikon rockets, 270-kg bombs and electronic-warfare components (chaff and infrared flares) and thus represent a high-quality ground-attack aircraft. Because of the increasingly necessary display representation for the use of the Maverick, the cockpit also had to be redesigned as well. But the result will be an aircraft with a high attack capability that can be kept in service into the 1990's. The overall Maverick purchase value is around 160 million Swiss francs, which again will be 50 percent compensated within the Swiss aeronautical industry.

Also, a 32-square-meter wind tunnel was set up at the Emmen Aircraft Factory, so that one can expect an increased emphasis on development work here as well.

The Private Armaments Industry

The complex of these enterprises shows diversification in several respects. On the one hand, the large concerns have subsidiaries in several foreign countries, all or the majority of whose capital is in their possession. These foreign plants work in various product lines of the parent company depending upon how economic success, and thereby export expectations, can be optimized. In addition, all of the concerns are obviously seeking civilian work that is not dependent upon the changing demand for weapons, even countercyclical work if possible.

Within Switzerland, the large firms cooperate closely with medium-size and smaller enterprises with internationally recognized know-how, so that there is no redundancy in capital-intensive sectors. And by no means do the small firms have to be part of the armaments industry. But they consider their participation in these production systems to be evidence of their respectability, quality and reliability.

The following list of important enterprises in the armaments branch--certainly acknowledged to be incomplete--begins with the mentioning of base industries, that is, enterprises whose existence is the necessary precondition for the development of high-quality armaments industries, although their direct contribution has a relatively small "arms-orientation," and subsequently deals with firms specializing in military technology that are more directly involved in the market.

The Sulzer concern: the concern can rightfully be characterized as the cradle of high-quality machine building and metallurgical research, although in no way does this characterization describe its overall work. With sales of about 3.5 billion Swiss francs and more than 33,000 employees, about 20,000 of whom are in Switzerland, the firm can look back on 150 years of development: its origin was the foundry of the Sulzer brothers in Winterthur.

For an enterprise of the interior, it has astounding fields of activity and successes: its marine engineering provides over 40 percent of worldwide ocean-going shipping with propulsion plants. On the other hand, the concern's own gas-turbine building for aircraft was stopped but Sulzer is an important participant in the licensed fabrication of all jet engines used in Switzerland. In this, it generally functions as general contractor, for which it is predestined by, among other things, its leading role in advanced metallurgy. In addition, the transmission component assemblies, tank turrets and tank hulls of the Pz 68 were produced within the scope of the concern and, thanks to its experience in all types of cast steel and in welding engineering, it will also play an important role in the building of the new Swiss battle tank.

Another indication of its worldwide importance is the fact that Sulzer supplied the axial compressor for a new engine test stand of the U.S. Air Force.

Brown, Boveri & Cie: Just as in the case of Sulzer in machine building, Brown, Boveri (BBC) has an importance for the entire area of electrical engineering that can hardly be overestimated. It was founded in 1891, at a time when the other large European electrical concerns also came into being. With all of its subsidiaries in Europe and abroad, it employs about 100,000 people, 20,000 in Switzerland alone. Its annual sales are on the order of 8 billion Swiss francs.

Its power, information, and communications electronics is of primary importance for military technology. BBC developed overall defense systems for civil defense, an area pursued with great conscientiousness in Switzerland. The army mainly procured microwave directional radio systems for analog and digital transmission with up to 1,200 voice channels, VHF/UHF radiotelephone sets, and ciphony systems with the greatest cryptological security. Best known internationally is the Vericrypt-1100 ciphony system with almost 100,000 code families each having 1 million eligible individual settings.

Because, among other things, of its membership in the "ABZ Consortium," BBC is a strong part of the army's plans for the future: it has the task of developing still-unconventional ultramodern radio systems. One of the results that is already available today is the SE-2000 VHF system equipped with automatic channel selection, digital address-oriented calling procedure, various operating modes, and optimum utilization of the frequency range. The partners in the consortium and thus substantially involved are the firms Autophon and Zellweger Uster. As far as is known, the system can service 65,000 addresses and there is a 98-percent probability that the automatic calling technique will achieve the desired connection within 5 seconds.

Although only a small part of the concern's activities has branched off into military technology, BBC is an indispensable "technology feeder" of the Swiss armaments industry--especially for telecommunications technology--because of its research work and international contacts.

Hasler AG: With about 5,500 employees, the enterprise is particularly active in the wired communications engineering of the army and civil defense. It has been delivering field telephones and exchanges, switchboards, and wire and radio teleprinter systems since 1930 and, most recently, electronic teleprinters with auxiliary enciphering equipment, which will probably find additional customers in the NATO area as well.

The history of the firm's founding is interesting: it was established by the federation in 1852 as the Eidgenoessische Telegraphenwerstaette [Federal Telegraph Workshop]. In 1865, however, it was bought by its director, Hasler, and since then it has remained a family holding. It is obviously a successful "privatization," for annual sales are on the order of 500 million Swiss francs.

Adolf Saurer: The Saurer Works provide for a substantial part of the motorization of the army, to which they dedicate about half of their enterprise capacity in the Arbon factory. The concern is active in the FRG, Austria, the United States and South Africa with its own factories and achieves annual sales of about 480 million Swiss francs.

Heavy army utility vehicles, especially cross-country artillery movers and engineer vehicles, have been produced since as early as the turn of the century. In recent years, the Saurer Works were also involved in the licensed production or final assembly of the Steyer-Pinzgauer aircraft. Supercharged direct-injection diesel engines and steering gears are being built for tank production. Sauer also services several types of Swiss combat aircraft and helicopter engines and developed and builds components for jet engines.

Motorwagenfabrik Movag: Not founded until 1950, this enterprise in Kreuzlingen can be considered the second supporter of military motorization. Here, with an 80-percent share, military technology clearly dominates, where it specializes in wheeled and tracked tanks of its own development in the 5 to 27-ton class.

Outstanding products of recent years are the wheeled tank of the Piranha-Cougar and Grizzly classes as well as the Husky workshop vehicle. The combat armored personnel carriers built in 4 x 4, 6 x 6, and 8 x 8 versions have operating weights of between 8 and 13 tons and the arms they carry include 7.62 to 12.7-mm machine guns, machine cannons in calibers between 20 and 35-mm, and tank guns in 90-mm caliber. Tests with the installation of the new 10.5-cm light tank turrets were likewise successfully performed on the vehicle.

The enterprise achieved a remarkable breakthrough in the equipping of the wheeled tank in Canada and the United States (LAV program).

On the basis of its tracked-vehicle-SPZ [armored personnel carrier] development Tornado, Saurer has also been able to participate in the Marder Program, in which many Tornado components have been included. The Swiss Army is introducing the Tornado 2 and that, on acount of certain common design features, could well also benefit the Taifun, the tank destroyer project of the Movag.

Naturally the development and improved performance of the 25 to 35-mm guns greatly benefited the production of these true infantry combat vehicles. Similarly, the production of the tank destroyer will be helped by the low-recoil 10.5-cm weapons now available and the new vehicle-supported guided weapons against tanks and helicopters. The weight classes favored by Movag are very suitable for making use of these possibilities.

In passing, we should also mention the successful development of a ball mount (for the fire fight of mounted gunners) and the externally mounted 500-MG's [machine guns] for armored personnel carriers. Both developments have also been used in foreign tank production and could also play a role in the modernization of the old Swiss M-113. The enterprise has built almost 2,000 special-purpose lightly armored vehicles for the Swiss Army since 1950.

Georg Fischer Concern: The concern with headquarters in Schaffhausen and factories in the FRG, the United States and Japan achieves annual sales of about 1.5 billion Swiss francs and employs about 7,500 workers in the Swiss plants, who produce almost 55 percent of sales. It dedicates only a fraction of its capacity to military technology but--because of its specialization in modern casting technology (cast steel, gray cast iron, graphite cast iron, and annealed cast iron)--it is practically indispensable in today's tank production, especially in the area of turrets, hulls, track elements and other track and suspension parts. The armor-steel-casting C technology is used for mechanized component assemblies even in radar production. Naturally the Fisher Works have a suitable participation in the building of the new self-propelled combat and antiaircraft gun.

Oberburg Engineering AG: Here it is a question of a machine factory that, as a leading supplier of ammunition factories throughout the world, is a typical representative of Swiss innovative enthusiasm. About 80 percent of the production of machine tools for the automated manufacture of metal articles, especially ammunition components, are exported.

For the special ammunition area, there are essentially three groups of machine tools for sale for cutting without shavings and the enclosing and grooving of cartridge cases, whereby the caliber range of from 20 mm to 210 mm is completely covered and sheet metal thicknesses of up to 8 mm can be worked. The latest models permit an increase in the production of cartridge cases from the previous 5 pieces per minute to 18 to 25 pieces per minute.

Fully automatic production lines are also being built for the hooping of guide rings on projectiles so as to carry out all work operations such as tube cutting, annealing-furnance treatment, copper-bond pressing, and turning in an efficient manner.

These machines are in use not only worldwide but also in the Swiss ammunition factories, which are thus in a position, depending upon the military need, to establish practically any desired level of production. The existence of the Oberburg products gives Switzerland an extremely valuable bartering item for the acquisition of important critical supplies, even in wartime or times of crisis.

Although the market for automatic ammunition machines mey be relatively stable, Oberburg also has a second leg to stand on--the manufacture of automatic machines for the production of all types of can tabs and bottle caps, whereby complete production systems are offered here as well.

Schweizerische Industriegesellschaft (SIG): SIG is known in the armaments industry primarily for its hand-held weapons but only about 600 of the total work force of 4,000 are working in this area. The economic basis of the enterprise goes back to the Schweizer Waggonfabrik founded in 1853. More than 30,000 motor, freight, mail and passenger cars have been manufactured to date in this branch. To be sure, the manufacture of rifles had already begun by

1860. In addition, a certain importance belongs to the production of outstanding pistols. One of the latest models, the 9-mm Para-Pistol P 220, has, as some of the earlier models, been introduced into the militia as an orderly's weapon.

SIG also built the first Swiss automatic rifle SG 510 that was introduced in 1957. It will soon be replaced by the follow-on model, the SG 540. To avoid unpleasant export restrictions, this model is also built under license by Manurhin in France with very great commercial success. International sales are satisfactory. Thanks to this and similar provident market policies, the SG 540 was marketable at the right moment and has achieved large sales figures, especially overseas.

The new automatic rifle will be delivered in the calibers 5.56 mm and 7.62 mm and weigh about 3 to 4 kg and has a rate of fire of 650 to 800 rounds/minute. The weapon has a "three-shot automatic operation" that could be very effective in limiting the use of ammunition and certainly was one of the reasons for the sales success.

Oerlikon-Buehrle-Holding AG: The international concern has a total of about 30,000 employees. It is highly diversified both geographically and in terms of its products and, depending on the business situation, military products account for about 40 percent. The armaments industry thereby stands on the two most important groups, the Oerlikon Group and the Contraves Group.

The enterprise was established from the machine tool factory Oerlikon in the early 1920's by the machine and weapons designer Buehrle. Even today, this factory and its associated firms, Oerlikon Italiana and the British Manufacture and Research Comp (BMARC), are dedicated mainly to the building of machine tube weapons and guided weapon systems as well as the related ammunition production. Even before World War II, the tube weapons were rather clearly superior to competing models in regard to design maturity, reliability, precision, and rate of fire and several licensing agreements had already been entered into with foreign countries or were in preparation.

Therefore, when war broke out, the firm's technical and economic state had been consolidated and the great requirement of the Federal Army for weapons, especially in the area of antiaircraft defense and onboard armament, could be met predominantly by Oerlikon. In terms of armament, this was doubtless its most important contribution to the preservation of Swiss neutrality.

Today, with the calibers 20 mm to 35 mm, Oerlikon covers the entire range of infantry, vehicle, aircraft and ship armament. The most recent increment was the Diana machine cannon system in 25-mm caliber, usually applicable as a twin gun in the air force version, as a four-barreled gun in the navy version, and as a single gun as combat vehicle armament. This system will probably be the follow-on model for the 20-mm guns now in use throughout the world, which today no longer correspond to the requirements, either in terms of caliber or general ballistic reasons. But it is also possible that many older 30-mm systems will be replaced by it. For the next 5 years at least, Oerlikon will share this extensive market with only two to four equally potent firms.

During the last 10 years, the main work of the Oerlikon works was aimed at the continuous design improvement and extension of applications for the 35-mm weapons as well as their inclusion in more comprehensive weapon systems. They likewise concentrated on the improvement of the performance of ammunition and fuzes. With the introduction of the 35-mm system as an armored antiaircraft gun of large European military powers--even though these powers have their own efficient weapons production--the concern's leading technological role was confirmed internationally.

A very promising area is naturally the arming of lightly armored (infantry) combat and transport vehicles. In the light of today's experiences, the result was confirmation of the combat effectiveness of the 25-mm caliber as the lower performance limit and of the 35-mm caliber as the optimum armament with respect to problems of installation, weight and munitioning. In terms of military technology, it is therefore certainly correct to go even further in the adaptation of the 35-mm weapons and to offer as vehicle armament a lower rate of fire with the greatest ballistic precision and increased penetration.

For several years now, the company has again been interested in the guided weapons sector. It pursued this work for 20 years and then abandoned it. Looking back, this approach was probably correct, since no completely satisfactory problem solutions would have been possible with the technology then available. One would proabably have been able to expect limited sales successes only with large development outlays, for in Switzerland there is no covering of the development costs of such an export-oriented company.

In making a critical evaluation of its own situation, Oerlikon has now allied itself with Martin-Marietta, one of the most potent technology concerns in the world, and developed the combined air defense and antitank guided weapons system ADATS. In this partnership, Oerlikon itself may handle only a little more than 50 percent of the overall production in its own plants but in any case it will gain new customers through the distribution of production.

The ADATS system uses missiles with a warhead diameter of about 130 mm that are designed to ride laser beams. This makes the system electronics relatively inexpensive. Martin-Marietta is very familiar with laser technology and the system is rather immune to electronic interference measures. On the other hand, the system in this form does not have an all-weather capability (suitable only to the degree permitted by the particular laser technology in use) but that is not absolutely necessary for a close-range air defense system for low and medium altitudes, because here air attacks generally occur only under visual flight conditions. On the other hand, the integration of the antitank capability into the system is new.

When in the above the talk was of "relatively inexpensive," naturally the emphasis is clearly on "relatively." The development costs of such a superweapon were estimated at 400 million Swiss francs and they could amount to 500 million francs by the time it is ready for series production with the foreseeable system enlargements.

Criticism is being heard against the "excessively high performance capability" of the "polyvalent" system: a speed several times that of sound would not be necessary, tanks did not require a range of 8 km for the guided missile, and there was no use for an armor penetration of 900 mm in the engagement of air targets.

One could oppose such tactical objections with many arguments: first of all, with the experience that very often an improved weapons technology has gone beyond traditional tactical concepts. In addition, people are obviously alarmed that a polyvalent weapon system shows better performance in both operational areas (air target and tank engagement) and not worse performance (as one is accustomed) than the specialized systems. Under some circumstances, however, one could reach a "tactical understanding" for the system when one sees that an ADATS company could fully replace both a tank destroyer company and an antiaircraft guided missile company, whereby it surpasses each of the two units in its specialized combat performance.

However much the author is convinced of the correctness and tactical value of the system design, the circumstance that ADATS may be integrated into many other large systems in which Oerlikon gun systems are already present can lead to competition among the concern firms in the furnishing of offers. But it is difficult to imagine that serious procurement agencies could not make the right choice from among the offered "weaponsmix" dominated by Oerlikon.

The success in the sale of guns for infantry combat vehicles has meant that Oerlikon also builds tank turrets for this armament that meet the most varied tactical requirements, that is, single and twin turrets, one and two-man turrets, and different types of mounts and ammunition feeding. With such a production, the vehicle manufacturer or general contractor is thus relieved of part of the design responsibility by the most competent authority and this field of activity consequently became very successful.

An additional strength of the Oerlikon group is in the area of on-board aircraft armament. Here it has long been recognized that the 20-mm caliber was no longer adequate for low-altitude attacks in particular and there were limits to the improvement of velocity and rate of fire on account of the recoil forces transferred to the airframe. The development of the 30-mm Oerlikon fixed gun KCA has successfully broken through this limitation: the weapon has an effective range of 2,000 meters and fires 1,350 rounds/minute with a velocity of 1,050 meters/second. The working principle of a revolving gun is applied.

It is difficult to assess the chances of the KCA on-board weapon. Anyone capable of building a combat aircraft generally has a suitable gun supplier whom it is difficult to by-pass. But the fact that even Sweden with its advanced industry has installed the Swiss KCa in the Viggen allows some conclusions about the competive quality of the weapon.

An additional on-board weapon is the unguided Sura 80-mm rocket with an effective range of 3 km, which can be used from winged as well as rotor aircraft.

As has already been mentioned, Oerlikon has the advantage of producing both weapons and the corresponding calibers of ammunition. This results in the possibility of the parallel development of the corresponding technology in both areas. The factory is now working successfully in the "rapid ammunition" development area, that is, high-quality kinetic energy rounds, subcaliber rounds, and the like.

Naturally the other development direction--"intelligent ammunition"--has few chances in calibers of this size, not to mention the fact that it is risky to subject the corresponding electronics to discharge accelerations of about 130,000 g's and that the products would be difficult to sell on account of their price. At the present time in antiaircraft ammunition, then, one is concentrating on the further development of fuze technology, the intensification of the blast of the exploding round, and the increase in the fragmentation effect.

The other armament group of Buehrle-Holding is Contraves: The main plant and primary developer is Contraves AG in Zurich with about 2,000 employees and total sales of around 1 billion Swiss francs, whereby 80 percent is accounted for by military products. In addition, there are three large subsidiaries, the Contraves Italiana and the Contraves-Goerz Corp in the United States with about 1,000 employees each and the Contraves AG in Stockach in the FRG with about 500 employees.

The group concentrates mainly on fire control systems, of which about 2,000 are in use today worldwide. To the extent that these include radar equipment, it is either a matter of the company's own developments or use is being made of Siemens or Ericsson licenses, again a sign of wise self-limitation and the willingness for international cooperation.

The large company success began with the marketing of the antiaircraft fire control system Fledermaus and later Superfledermaus, which is now in use in more than 20 armies. In addition, through the issuing of licenses, more than 2,000 sets of equipment have been reproduced in Japan and later in India as well. A similar success can be expected for the follow-on system Safeguard. It is a fire control system for the integration of guns and guided weapons; in the Greek Army, it is combined with the Sparrow guided missile, in the Italian Army with the Aspide, and in both cases with the 35-mm Oerlikon.

The further development of the Skyguard is in full swing. Thus a cw-illuminator was installed on a Sparrow launcher, with the help of which a [signal] can be given from the target-allocation radar to the launcher. In addition, the fire control system itself was equipped with an auxiliary millimetric-wave device, so that overall a multiple-target engagement was achieved.

The basic principle of the antiaircraft fire control for tank antiaircraft systems was first realized in the Gepard. The technical level thus achieved naturally benefits the introduction of the new 25-mm gun of the Diana series. For the navies as well, such guided weapons as the Sea-Sparrow or Seawolf together with the 25-mm four-barreled gun Sea-Zenith are combined into the Safeguard defense system against low-altitude aricraft and missiles.

An additional field of work was the development of the Fieldguard artillery fire control system. Thus the external ballistic influences are fully covered by the radar measurement of the trajectory of one or two guiding rounds. After their mathematical processing, the data go immediately to fire control for .PA
firing for effect. In the FRG, the system is known and has been introduced as the FERA-System and is being installed in fire control tanks.

Another remarkable development is represented by the computer-aided Gun-King gunsight that measures the trajectories of air, sea and ground targets and from them immediately shows the necessary firing data. Thus it involves a kind of "optical-electronic control station for clear-weather day and night operations" that can be used for all weapons in calibers over 20 mm and also integrated into larger fire control systems.

In cooperation with partner firms, Contraves has also developed the Shorar search radar that will probably be integrated into the ADATS, the LPD 20 that will be used to supplement the Superfledermaus by way of modernization, and the Alerte device, of which the latter will presumably be an alernative to the Shorar device.

These industrial projects, large even on a world scale, require research and testing that private European companies normally cannot handle and that the state finances there. As already mentioned, however, the Swiss Confederacy does not promote the development work of primarily export-oriented enterprises. It is thus clear that Contraves can handle this expense only because civilian concerns share the risks, cooperative efforts facilitate access to high technology, and the products are marketable because of their outstanding quality. Contraves has also been successful in participating in technologically demanding areas in the space project Ariane.

Pilatus-Flugzeugwerke: Only very recently has Pilatus become a member of Buehrle-Holding and through Pilatus the concern has also acquired the British firm Britten-Norman, so that in the future as well one can expect serious work by the concern in selected areas of aircraft construction.

The Pilatus works came into being under the pressure of the events of the war in December 1939 in out-of-the-way Stans. From the beginning, there was close cooperation with the aeronautical institutes of the ETH [Swiss Technical College] in Zurich. Initially all efforts were concentrated on the building of the very efficient P-2 trainer, which is thereby the ancestor of the modern PC-7 and PC-9 turbotrainers. Also built was the STOL aircraft SB-2 Pelican, of which the proven Porter types could be characterized as the follow-on model. At the same time, during the war, important components were built for the Me-109E, which was then in the service of the Swiss Air Force. Without this production and the technically high-quality repair capacity, it would have been difficult to maintain the Me-109's as an effective neutrality-protecting formation during the war.

With the technology used today, a certain level has been reached both in the trainer as well as the STOL construction series. Only marginal improvements would still be possible. But the market still seems to be able to absorb more. Sales of the Porter, which to some extent is filling a void in the market, continue to be good and the PC-7 is used in 13 airforces and 3 civilian training operations. To stabilize the breakthrough that has thus been achieved, Pilatus has begun the PC-9 series, which, despite its design similarity with the preceding model, does have a substantially greater operational spectrum.

In almost all combat aircraft of the Swiss Air Force, from the Morane fighters to the Mirage IIIS, the Pilatus enterprise was a responsible participant in licensed production and maintenance services. Today, in addition to its participation in international consortia for aviation and space operations, the enterprise appears to be aiming at the market in third countries. The Islander program of Britten-Norman as well as the Porter production will be continued and it is possible that some day the two lines will be combined with a new design. On the other hand, the seemingly rather exotic Trilander was resold to the Romanian aircraft industry as a licensed production and no longer built in the Buehrle company. The concern's aircraft construction group achieved total sales of about 230 million Swiss francs.

Flug & Fahrzeugwerke AG (FFA): The FFA company in Altenrhein is actually a Dornier creation in which, among others, the large German flying boot Do X was built. After its involvement in the manufacture of parts, servicing and maintenance for the Vampire and Venom aircraft of the air forces, the P-16, the heretofore last purely Swiss combat aircraft project, was also handled here. They refrained from series production for economic reasons but even more so because of changes in the development plan of the air forces. The Lear Jet, one of the most successful aircraft of "General Aviation," was also developed here. Mirage wings were built under license. The AC-202 Bravo trainer of FFA is being used by the Swiss Air Force as well as by Swiss Air and overseas.

For the purpose of a certain diversification, FFA is also working on the track and suspension of all existing Swiss tank designs and will also build these components on the new battle tank. In addition, special tracked vehicles such as armored bridge-laying vehicles are being produced.

Additional Firms

In the following, mention is made of some firms that not only serve to "round out" the picture of the Swiss armaments industry but are important subcontractors that appear less in public because of the nature of their production--not least because their main business is in civilian sectors.

Dixi S.A. is one of the most renowned watch factories in the world with headquarters in Lelocle. Here millions in sales have been achieved since 1937 in the manufacture of precision fuzes. But more recently, the company has also been producing high-quality firing range facilities with automatic hit scorer that are exported to the FRG, among other places.

Tavaro S.A. with headquarters in Geneva, which produces the Elna sewing machine, among other things, has also been successful in the manufacture of precision fuzes. Most recently, however, it has been especially well represented in the international market with electronic fuzes.

In Dottikon, Schweizer Sprengstoffabrik (SSF) produces, besides civilian explosives, the most important share of the military explosives used in Switzerland, including Hexogen (RDX), Hexasit, Hexolit and Pentrit (Petn), Pentasit, Pentolit, the plastic exposive Plastit and rubber elastic explosives.

Geotec S.A. generally specializes in measuring instruments--especially for flow measurement in liquids and gases at velocities of up to 100 meters/second--and the related flow control technology. The hot-film technique is a long-neglected method for flow measurement in gases. It was used by Geotec for wind measurement under special stresses. Equipment operating under this functional principle is especially suitable for use in ground and sea combat vehicles and 75 percent of this production is not exported.

GRETAG AG occupies a similar exceptional position. Its special area is the enciphering of text and data, ciphony and speech deception. In the public, however, the firm has become known primarily for the eidophor system that it developed, making possible large-display representations. Such systems were delivered to the Federal German Navy and NASA, among others.

Huber & Suhner AG is a pioneer in Swiss conductor and insulation technology. Its cables are used worldwide, including in all Contraves fire control systems, among others.

The Isola Works play a similar role, especially in the production of field cable: the cables are brought to the site of operations wound on weather-resistant drums and can be laid in a very short time with no loops whatsoever.

Von Roll AG has been active in Swiss armament for more than 100 years. It specializes in hydraulics. It achieved a worldwide breakthrough in the area of tank steering gears. Its products have also been installed in the Marder armored personnel carrier in the FRG and they are also used in the Austrian Kuerassier tank destroyer.

Finally, we mention some subsidiaries of large foreign concerns that have largely been integrated into the Swiss armaments industry:

Siemens-Albis AG, resident in Switzerland since 1922, is a close partner of Contraves in all fire control systems of air defense, especially in the radar sector. The most important success of this cooperation was doubtless the

Gepard Project, for which Siemens developed the target tracking and allocation radar. But the enterprise is also pursuing a number of its own developments by itself, as in the sectors for radar components and night-vision equipment.

A second company of this type is Standard Telefon und Radio AG (STR), an ITT subsidiary supplying the Swiss Army primarily with communications systems, that is, radio equipment for vehicles and aircraft, portable equipment and digital directional radio systems (in delta modulation) as well as landing radar. The building of simulators is also included in the delivery program. An important order in the armaments industry was the development of an IFF system tailored to special Swiss requirements and needs for use in a combination of gun and guided-weapons defensive systems.

Naturally Siemens-Albis and STR represent an important channel for the transfer of high-technology into Switzerland from abroad. On the other hand, they also pave the way for exportation into those countries in which the parent companies of these firms or other subsidiaries are active, which simultaneously results in competent bases and maintenance services there for the products of Swiss concerns.

The author is aware of the fact that neither with his introductory remarks on the Swiss national, neutrality and armaments policies have all the motives for the development of such a specific armaments industry been presented nor is the enumeration and description of the companies and their products complete. But he hopes that he has shown that both the industrial and armaments policies correspond to the national defense policy in the best manner, whereby consideration is given to the naturally limited possibilities. At the same time, however, it was necessary to show that Swiss military techology is not just a locally important interest but that the Swiss armaments industry extends far into international areas thanks to its high scientific and technical standard.

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SINOWATZ ON ECONOMIC DEVELOPMENTS, UNEMPLOYMENT

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[Statement to the Austrian Parliament by Chancellor Fred Sinowatz]

[Text] Mr President, honored Assembly!

On Monday last I chaired a discussion on economic development, held between the social partners and the government. The most remarkable result of these talks was the extraordinary optimism currently expressed about the situation of our economy. This optimism is fully justified by last year's economic data and, especially, the expectations and forecasts for 1986 business.

In this gratifying economic climate, our employers have decided on exceptionally large investments. At the same time we are recording the substantial growth of real incomes. Inflation is well below international averages, the current account in balance and, though we Austrians are worried by the 4.8 percent average 1985 rate of unemployment, this represents a most satisfactory situation when compared with international levels.

The business outlook is also favorable in other Western industrial countries, such as the United states and the FRG. We may therefore be sure that Austria will record respectable economic growth in 1986, too--for the fourth consecutive year. Most likely the 3 percent growth achieved in 1985 (the largest increase since 1980) will actually be exceeded.

Despite this excellent economic result, some events occurred in the past year, which dimmed the generally successful economic picture. A cause for special concern is the development of VOEST-Alpine AG, the largest Austrian corporation, which last year suffered losses totaling some 11 billion schillings. At the same time I must warn you not to lose from sight the dimension of these losses in relation to other economic data. Let me illustrate this by some figures. The value of last year's Austrian exports, for example, amounted to 546 billion schillings. Private consumption accounted for 775 billion schillings, and the net incomes of the Austrian population came to 680 billion schillings. Last year, Austrians spent about 100 billion schillings alone on the purchase and operation of their private cars. In view of these figures, it seems somewhat absurd to speak of a state of emergency with regard to the admittedly very large losses of VOEST-Alpine.

In this connection, please allow me to mention some basic facts regarding the situation of the nationalized industries and, in particular, VOEST-Alpine AG. As far back as November 1985, when losses were still assumed to be of the order of 5.7 billion schillings, I said right here at the National Council that, however regrettable, this developments offered an opportunity for a new start, the total reform of the nationalized industries.

Three months have elapsed since then. They were used by the Government and the respective organs for setting the signals for this new start. Today, the Government has submitted to the National Council the draft of the new OeIAG [Austrian Industries Management Co] law. The abolition of the proportionality of the parties and the reorganization of the OeIAG are the centerpieces of this law. The OeIAG is to be turned into a genuine holding company on the international model. In view of the fact that he represents the owners, the competent minister's authority will be strengthened with regard to the nomination of OeIAG supervisory board members and the consequent abolition of the parties' right to nominate. This is of prime importance, because in future none of the supervisory board members appointed must be allowed to feel responsible to any institution except the proprietor, the Austrian Republic.

The opposition has repeatedly argued that the new OeIAG law will result in a new kind of proportionality thinking. The fallacy of this argument is demonstrated by the appointments to the new VOEST-Alpine executive board. This new board exemplifies the criteria the Government will apply in future with regard to the choice of supervisory boards and executive boards. Technical competence, not party political affiliation, will in future decide the selection of decisionmakers in our nationalized industries.

Honored Assembly!

We are starting on a tremedous challenge--to restructure the nationalized industries and thereby provide a promising foundation for one of the most important sectors of our economy. The results achieved so far--the new OeIAG law, the new VOEST executive board and the intended reorganization of the nationalized industries' trading operations--indicate the approach the Government intends to take, the approach of economic prudence, long-range planning and future oriented structural development.

Even before the end of April, advisers to the corporations are to submit proposals on the future structure of the OeIAG. Even before the summer we will have the corporate concept for the VOEST-Alpine AG, drawn up by the new executive board. This will ultimately provide the basis for the next and--let me emphasize this point--the last financial aid provided for our nationalized industries.

I would like to offer some basic comments:

1. In the long term, the scope for the nationalized industries' accomplishment of their economic assignments is solely defined by the profits they earn, not by the extent of public subsidies.

1. The executive boards of the nationalized industries are obligated to realize corporate concepts in accordance with business management criteria. In the discussion of the structural concept actually to be used, the definitely necessary consideration for national and regional targets will be possible only in the framework within which public money is made available for the accomplishment of these objectives.

3. Within the framework of strategic planning for the OeIAG, we will have to take into account not only the coordination of the performance programs of nationalized corporation but also general industrial concerns. The business policy of the nationalized industries, in particular, must take care that the goal of turnover maximization should not be pursued at any price. It is specially important to avoid losses from arising as the result of underbidding other Austrian industrial establlishments.

Honored Assembly!

Allow me to repeat some statements I made in mid-January in my speech to the employees of the nationalized industries in Linz. I said then: "We must arrive at the efficient management of factories because plants and jobs are secure in the long run only if the companies concerned do not suffer losses." I continued by saying: "We intend to improve the structures of the nationalized industries, and we will therefore make the necessary financial resources available in future also."

"We advocate sensible business measures with a view to investments in other companies and cooperations, but we cannot even consider any dissipation, sell-out privatization."

"We cannot give any permanent job guarantees. Nobody can seriously do this. But we will not allow industrial cemeteries to arise. We will continue to pursue modern, honest and dynamic job development."

However, I also said in Linz and repeat the statement here: "We will not tolerate a significant sector of the economy, such as the nationalized industry, being badmouthed to death."

Honored Assembly!

In recent weeks, the nationalized industry was not the only one to display crisis-like manifestations. Structural problems are most prominent in farming. We have enormous surpluses in almost all sectors, and selling them abroad is getting harder and harder. Productivity is increasing apace everywhere, and the surpluses keep on growing. As a result, our customer countries are less dependent on imports. In some sectors we have already arrived at the absurd situation that the subsidies required to sell our produce abroad are larger than the amounts paid to the farmer for his output.

For many months past, the Government has been talking with the representatives of farming at the various levels, hoping to solve these problems. In fact we have achieved progress in the negotiations regarding the dairy and cereal problem.

Nevertheless I do not want to let this opportunity pass without proclaiming the need for a comprehensive reform of farming structures. Just as structural adjustments are required in our nationalized industries, we must find some means of stopping the situation in farming which is equally unsatisfactory for consumers, producers and, ultimately, the taxpayer. Otherwise we will run the danger of perpetuating the vicious circle of rising output and greater financial burdens on consumers and farmers while steadily loading the budget with billions of new subsidies.

I therefore appeal to the representatives of the farmers to cooperate constructively with us to arrive at a settlement of these persistent problems. Here, also, the principle applies that, from a long-range point of view, the necessary structural decisions will benefit those concerned--admittedly not without some hardships and therefore liable to meet resistance in some quarters.

Honored Assembly!

The economic revival in 1985 had very beneficial effects on the labor market. A rise in employment by 25,500 persons was recorded in the period January 1985-January 1986. Let me remind you that 100,000 more persons are now employed in Austria than at the height of the last boom in 1974. Moreover, this successful development is persistent: In 1986, too, we may expect a respectable rise in employment.

Despite this basically satisfactory trend at the turn of 1985/1986, the labor market does give us cause for concern in some sectors. Available manpower increased even more than employment, and unemployment therefore rose from 130,000 to roughly 139,000 in the average of 1985., At the end of January 1986, in fact more than 200,000 people were unemployed.

Young people account for about 25 percent of the unemployed. Just like women, the young are very strongly represented both in the growth of employment and that of unemployment. Due to various measures, unemployment in the construction industry did not achieve the large dimensions feared. At more than 56,000, it is actually lower by 2,200 than at end January 1985. Unfortunately, the situation is now more acute as the result of the early winter and the severe snowfalls of recent weeks. In these circumstances we may have to reckon with a longer duration of seasonal unemployment. At the present time, construction workers account for about 28 percent of all unemployed.

At more than 57,000 unemployed between the ages of 15-24, youth unemployment achieved the seasonal climax in January 1986. It is welcome news, though, that the problems on the apprenticeship market have been largely removed. At the end of January, 2,157 vacancies were offered 3,244 would-be apprentices. It is particularly worth emphasizing that the offer of apprenticeship places is almost 800 greater than a year ago.

The higher rate of unemployment has lasted for 3 years. For a small group, this has meant a long period of unemployment. Almost 1 percent of the manpower potential--more than 25,000 people--have been registered with the employment offices for more than 6 months. Young people, also, those without much education and from disadvantaged families, are confronted with long-term unemployment. Others are only able to obtain short-term employment without the opportunity to learn skills. Unfortunately, we must expect a small section to have already resigned themselves to this state of affairs. The group in question is primarily composed of people lacking sufficient qualifications. About 50 percent of all unemployed youths and two thirds of those unemployed for more than 6 months, for example, have no more than an elementary school education.

It is a special feature of the current labor market situation that the occupational structures of supply and demand diverge mainly due to technological changes. Vacancies are particularly hard to fill if they require above average education or assume special knowledge. Most of all that applies to the services sector, where 6 percent of all vacancies remain unfilled for more than 8 months. On the other hand, 19 percent of all the jobless in service professions are registered for more than 6 months. The professional profile as well as requirements have often changed substantially even in the same professional sphere. Data processing skills, for instance, are a frequent additional requirement. This explains why, for instance, the figures for vacant bookkeeping jobs and those for unemployed bookkeepers are rising simultaneously. Conversely, the figures for unemployed high school and university graduates amounted to only 2.2 percent and 1.2 percent respectively in the average of 1985--distinctly lower than the general unemployment rate.

In recent years, the employment market administration substantially increased the money spent on active labor market development. Spending rose from 1.3 billion schillings in 1981 to 3.1 billion schillings last year. The "youth billion" was made available within the framework of the youth employment program, and "action 8000" promotes the reintegration in the work process of people unemployed for long periods.

On the other hand, we have learned that money alone is not enough to decrease unemployment over and above earlier achievements and to actually increase employment. We therefore need additional initiatives to zero in on the specific problems presented by today's labor market, in order to diminish now and in the long term the threat of unemployment for the groups of people concerned.

The Ministry for Social Administration therefore drafted an employment initiative, designed first of all to raise the educational level of the unemployed. School leavers lacking the certificate of education are virtually unemployable now. They are to have more opportunities for subsequently obtaining these certificates. Also, at the present time the current vocational profiles of apprenticeship training does not take sufficient account of new technologies and processes. To improve the job opportunities for young people, the professional profiles must be brought up to date or recreated so as to keep pace with these new developments.

I would like to take this opportunity to remind you that the nationalized industries and government enterprises contribute significantly to the training of our youth. The postal and railroad services alone provide almost 3,800 jobs for young people. All their sections afford the young people sound training, oriented to business requirements and new technologies. It ensures that these young people obtain the skills that are indispensable for their future progress.

The employment offices will carry out an inquiry of their own to trace the occupations and work places which offered the best employment opportunities of recent months, or which steadily display an excess of demand. Next week, the Minister for Social Affairs will invite the social partners and their educational organizations to ascertain details of the occupations and skills in short supply in the economy. Their findings will subsequently result in a greater than usual expansion of training opportunities.

Finally, the employment offices are being instructed to thoroughly discuss with the employers the reasons for the failure to fill those vacancies which persist for a long time. That is the prerequisite for the drafting of proposals on the best way to remove obstacles to hiring.

Honored Assembly!

The early start of the winter most adversely affected the situation in the construction industry from November 1985 on. To stabilize the employment situation, the Ministry for Construction and Technology placed 4.8 billion schillings worth of construction orders in the period from September 1985 to January 1986. In addition, invitations have already been issued for bidding on important major construction projects, such as the construction of new police headquarters in Vienna and Graz.

The anticipated award of contracts resulted in a 32.4 billion order stock at Austrian building and highway construction in January 1986. The buildings sponsored by way of the water management fund currently account for orders worth 28.6 billion schillings.

The Government also drew up a catalogue of measures designed to lower the high rate of winter unemployment. Specific control mechanisms are to ensure that it will in future be possible to work all through the winter. Especially with regard to government buildings, construction preparation is to be so planned that work which can be carried on in winter, will begin in November and must be completed in March. These dates will be fixed in the bid invitations, compelling the firms desirous of obtaining contracts to employ construction workers in winter. This applies to restoration work just as much as to the award of new constructions. At the same time, great care will be taken to ensure that the shell be completed before the outbreak of winter, making it possible to do all interior work during the winter months.

The railroad and postal service also will help maintain winter employment in 1986/1987. Some construction projects, originally planned for spring 1987, will be moved forward to the winter months. The postal service will thereby shift to the critical phase of the winter months a construction volume amounting to 1 billion schillings, the railroad a volume of more than 100 million schillings.

Another measure designed to improve the employment situation is represented by the just decided reactivation of the so-called old building billion. This promotional action, to be financed by moneys from a subsidized form of life insurance, is designed to make available loans to the Laender for restoring suitable residential buildings. However, capital market conditions have changed since the introduction of this measure. Consequently, though by now amounting to 2 billion schillings, it lost some of its intended attraction. That is the reason why the Minister for Finances decided that the residential restoration loans to be granted in the scope of this action will in future carry 6 percent interest only, instead of the former 7 3/4 percent. We may therefore expect that the Laender will have available this year the sum of 2 billion schillings for long-range and low-interest loans for restoring old buildings. That money will allow another 5,000 or more people to be hired.

Honored Assembly!

These measures, though, will still not suffice to sharply lower the overall unemployment rate. They will therefore be accompanied by the purposeful cut in working hours, already initiated by the partners to the standard wage agreements in a most responsible manner. Taking into consideration our international competitiveness and the situation in the various branches of the economy, we have already begun to reduce weekly working hours. Still, we will have to consider other types of shorter working hours also, which--on the one hand--meet the need and--on the other--help achieve the flexibility necessary for any economy.

Honored Assembly!

Pertinent studies and, in particular, recent events have demonstrated that the Austrian industry does not have enough suitable managers. No doubt, outstanding managers are thin on the ground anywhere. That is precisely the reason why many industrial countries try to emphasize the training of future managers in specialized institutions. This Government also will back all initiatives aiming at the establishment of a college of management. We should certainly try to ensure cooperation with renowned international institutes. This new facility will be designed to assist the internal efforts of Austrian corporations for training future management personnel. This, too, ladies and gentlemen, must be interpreted as a contribution to the safeguarding of jobs in Austria, because such an endeavor is made feasible not by closing ourselves off but only by open international competition.

Honored Assembly!

We are only 6 weeks into 1986. Nevertheless, we may already assume that an even more successful 1986 will follow the successful (in terms of the economy) 1985. The noticeable decrease in oil prices in the course of recent weeks benefits us and will have the result that the economic forecasts for 1986 will need to be corrected upward--in some instances to a substantial extent. Dr

Helmut Kramer, director of the Austrian Institute for Economic Research, sketched the following trends in the above mentioned discussion on economic development:

-- By comparison with the original forecasts, economic growth will be greater by at least 0.5 percent. In other words, this year's growth will most likely exceed 3 percent.

-- The Austrian current account will probably show a record surplus of some 10 billion schillings.

-- We should expect the level of prices to rise by less than 2 percent.

-- It was assumed earlier that employment growth would amount to 14,000 jobs. We may now expect 20,000. This would mean our being able to aat least somewhat lower the unemployment rate.

In the course of this same discussion of economic development, Prof Dr Stephan Koren, president of the Austrian National Bank, pointed out that the continued maintenance of the currency link with other Central European hard currencies is guaranteed on the basis of the stability of prices and the development of the current account. This stable Central European bloc allows our export oriented economy to continue having secure bases of calculation.

Honored Assembly!

Three years ago, nobody among us would have dared forecast that we were going to enjoy so much prosperity in 1985 and 1986. Nobody would have believed in the possibility of a recovery that is gaining even greater dynamism in its 4th year. As regards the economy, we have certainly no reason to clothe ourselves in the currently rather fashionable pessimism. Indeed: We will be better off than ever in the Austria of 1986.

Precisely for that reason, I would like to conclude my statement by indicating a trend that is characteristic for the public--or shall I say published--discussion here in recent months and worries me greatly.

It has become the custom, nay has become quite fashionable in our country to shrug off the undeniable achievements accomplished by the Austrian people day in and day out and, instead, to sketch a situation in our country, which has nothing whatever to do with reality. The media consistently overestimate adverse news and simply pass over positive news in silence. Favorable trends are concealed in an almost self-destructive manner and negative headlines featured exclusively. Discussions assume almost Messianic zeal in concentrating on persons and events of the past instead of focusing on the opportunities and possibilities of today and tomorrow.

Just at a time

--when we may expect the lowest inflation rate for decades,

--when total incomes will rise by more than 2 percent in real terms,

--when we may assume more than 3 percent economic growth,

--when the rate of unemployment will again decline, and

--when our current account features a record surplus,

the media present Austria as a country where

--illegal practices are daily occurrences,

--corruption flourishes,

--unemployment is assuming undreamed of dimensions,

--people are increasingly exploited by a greedy government,

in short, where a dire emergency is alleged to prevail and--even this fantastic claim was made--the country is sliding in direction Eastern Bloc.

I wish to seriously admonish all those who proclaim the above on the political or media scene:

Are you not aware that you do tremendous damage to our Austria by this attempt at substituting appearances for reality?

Are you not aware that you are painting a picture of Austria for international consumption, that is not only inaccurate but actually liable to sabotage Austria's renown, the confidence it enjoys in the world?

Are you not aware that you injure all Austrians by this strategy?

In order not to be misunderstood, let me here proclaim my unequivocal belief in the freedom of the media. I also wish to emphasize that the role of the possition, as rooted in our Constitution, of course includfes the right and even the duty to check on the government and that, therefore, political conflict represents an indispensable element of our parliamentary democracy. At the same time, it is equally true to say that the spirit of opposition and the media's sensationalism must not exceed the limits imposed by the vital interests of the state, the Austrian economy and, consequently, all Austrians.

A flagrant example is offered by the long lasting campaign regarding alleged illegal weapons exports to warring countries. When the first rumors about allegedly illegal business practices by our weapons exporting industry began to circulate, the Government and, in particular, the Minister for Interior immediately initiated various investigations to find out whether there was any truth in these rumors. Following exhaustive inquiries, the investigating authority concluded that no crime against the war materiel law had been committed. Nevertheless, some politicians and some media continue to float more rumors, without ever submitting any concrete evidence. You must realize that such behavior seriously damages not only the arms exporting industry but the entire Austrian economy, because the integrity of all Austrian traders is called into doubt.

Honored Assembly!

I have no intention to conceal the fact that there were events and occurrences last year, which were extremely embarrassing for us and our country. In Austria and in various sectors of the country, the prosperity achieved evidently resulted in a decline of the sense of responsibility, in greater selfishnes and less solidarity. Nevertheless, we are far from being a scandalous republic--albeit it is now fashionable to call us that. If we look at the world with our eyes open, we see very well that we are no more sinful than anybody else.

Let us therefore focus on the central tasks for politics and the economy.

It is our obligation--despite the exceptionally high rate of employment--to reduce unemployment, ensure greater economic growth and, at the same time, preserve our natural resources.

On the one hand we must safeguard our social achievements, envied by many other countries, and on the other even more encourage the readiness to perform.

We must cope with the marketing crisis smoldering for years as the result of worldwide excess farm production and, at the same time, safeguard the standard of living of our farmers.

We are also confronted with the definitely hard challenge to restore confidence in the nationalized industries and taking measures that will allow these corporations in the long term to recover the ability to maintain their place on the world market without recourse to public money.

Nevertheless, I am optimistic for Austria. We succeeded by enormous efforts to rebuild this Austria after two wars. We will surely also succeed in handling the challenges of the future. Especially as we have at our disposal a starting position that is certainly better than in most Western industrial countries. Of course, Austria is not the isle of the blessed, but how many countries would feel themselves blessed if they confronted no problems worse than ours.

I therefore see no reason for despondency or discouragement. As I said before, we can cope with the challenges of the future, provided we want to do so. We need self-confidence and energy. We must remind ourselves of those talents and gifts which distinguish us Austrians: Creativity, readiness to perform, hard work and our special ability for handling difficulties better than other people. And finally we also need that Austrian consciousness and patriotism which is necessary for us to successfully work for Austria and its future.

11698
CSO: 3620/602

PARTIAL PRIVATIZATION OF GOVERNMENT-OWNED INDUSTRIES APPROVED

Munich SUEDDEUTSCHE ZEITUNG in German 13 Mar 86 p 27

[Article by N.S.: "Cabinet Approves Report on Privatization" / IVG to be Distributed]

> [Text] With partial sales of three government-owned enterprises and two subsidiary companies of the Bundesbahn, the Federal Government wants to forge ahead this year with its concept of partial privatization of government-owned enterprises. On Wednesday, the cabinet approved the interim report by Federal Finance Minister Gerhard Stoltenberg, according to which parts of VIAG AG, Berlin/Bonn, which is active in the energy, aluminum and chemical sectors, and parts of the petroleum and natural gas drilling company Prakla-Seismos AG, Hannover, are to be dispersed through sales at the stock exchange in June. The government-owned Industrieverwaltungsgesellschaft mbH (IVG), Bonn, whose activities include transportation and military engineering as well as the NATO pipeline in the FRG, is also to be partially privatized as of September of this year, after reorganizing it into joint stock company (AG).

However, because of security policy concerns of the Bavarian Land government it remains open whether, and how, the Industrieanlagen Betriebsgesellschaft mbH (IABG) in Ottobrunn near Munich, 74 percent of which is owned by IVG, will be included in the privatization. The cabinet ordered the finance minister to study this question and to inform the government "about the necessary consequences."

Twenty-six percent of IABG are owned by the Gesellschaft fuer Flugtechnik GmbH,Munich, which in turn is held by some 15 industrial enterprises, among them the largest German space and aviation company Messerschmitt-Boelkow-Blohm GmbH (MBB), also located in Ottobrunn. IABG gets from the Defense Ministry primarily orders in the area of military engineering, but also prepares studies for the civilian sector. The company was involved in testing material for the first stage of the booster rocket Ariane, the

Tornado and the Airbus. In the case of fighter planes, for example, it carries out attack simulations.

If at all possible, the German Federal Railways (Deutsche Bundesbahn) are also to give up 24.9 percent each of the sole ownership of two important enterprises, the Deutsche Verkehrs-Kredit-Bank AG, and Schenker und Co. GmbH, the largest German moving company, both located in Frankfurt. In the case of majority holdings by the Bundesbahn in large travel agencies, however, the expectations of the coalition parliamentary caucuses are not being fulfilled: the Bundesbahn retains 50.1 percent of the DM 18 million share capital of Deutsches Reisebuero GmbH (DER), Berlin, and 55 percent of the DM 13 million share capital of ABR - amtliches bayerisches Reisebuero GmbH.

Put on Ice

Partial privatization of Deutsche Lufthansa AG, Cologne, desired by the Bonn coalition, has been put on ice. Because of the continued resistance of CSU party chief Franz Josef Strauss, who sits on the managing boards of Lufthansa and Airbus, Bonn expects that at the earliest, the Federal Government will tackle this subject after the parliamentary elections in January of next year. Stoltenberg's interim report states only: "Talks continue." After the political turnabout in autumn of 1982, the partial sale of Lufthansa on the stock exchange, originally planned for 1985, had been mentioned as the second advertisement for the privatization concept, after Bonn had initiated government withdrawal from entrepreneurial activity by an additional cutback of its holding in VEBA AG, Duesseldorf, at the beginning of 1984.

In the case of Deutsche Pfandbriefanstalt (Depfa), Wiesbaden/Berlin, the cabinet ordered the finance minister to prepare a law to convert this largest German mortgage institute into a private mortgage bank AG. The sale of government holdings in Deutsche Siedlungs- und Landesrentenbank (DSL), Berlin/Bonn, and in Deutsche Industrieanlagen GmbH (DIAG), Berlin, which are active in plant construction and the machine industry, as well as denationalization of the Gesellschaft fuer Nebenbetriebe der Bundesautobahnen mbH (GfN), Bonn, which operates the Autobahn gas stations and restaurants, will probably be delayed beyond 1986.

The schedule for 1986 is as follows:

VIAG AG: During the first stage, the plan is to disperse through sale of government holdings a total of 40 percent of DM 580 million capital stock, i.e., shares of a nominal value of DM 232 million. At the beginning of July 1986, the shares are to be placed on the capital market by a consortium of banks. An offer of employees' shares is planned.

Prakla-Seismos AG: The GmbH was already converted into an AG in 1985, and it is planned to disperse through sale 47 percent of the shares (including the 5 percent holding of IVG), with a simultaneous capital increase from

50 to DM 60 million. To ensure independence, the voting rights of the shares to be sold will be limited to 5 percent. In this case, also, an offer of employees' shares is provided.

Industrieverwaltungsgesellschaft mbH (IVG): An examination carried out on the basis of the cabinet resolution of 26 March 1985 has shown that the important government interest in the over-all company can be preserved even with private participation in the parent company. Partial areas would need to be separated out if the Federal Government were no longer a majority stockholder. For this reason, the Stoltenberg paper proposes conversion of IVG into a joint stock company (AG), to increase capital from corporate funds to DM 110 million, and to spread the offer of a total of 45 percent of the shares to the investing public. Preparations are to be made in such a way that the sale of shares is possible as of September 1986. Government spokesman Ost answered an inquiry to the effect that this date was feasible, although it would first have to be studied how the subsidiary IABG, at the center of security concerns, could somehow be separated from the parent company.

9917
CSO: 3620/626

NEW FINNISH, SOVIET TRADE COMMISSION TO START IN APRIL

Helsinki UUSI SUOMI in Finnish 15 Feb 86 p 13

[Article by Tuomas Keskinen: "Finnish and Soviet Cooperation in Environmental Protection Increasing, New Cooperative Commission to Begin Work in April"]

[Text] A new cooperative commission between the governments of Finland and the Soviet Union will soon begin its work along side of the Economic Commission directed by Prime Minister Kalevi Sorsa and the Scientific Technical Committee directed by Professor Pekka Jauho. A mixed commission on cooperation in environmental protection will convene in Moscow on 7 April.

Its members have not yet been selected, only the names of the chairmen are known. Finland's group will be directed by Environmental Minister Matti Ahde and the Soviet side will be under the direction of his colleague Yuri Israel. Last summer they signed an environmental protection agreement, which provides for the establishment of the new commission.

Until now, environmental protection cooperation between our countries has been planned in a separate section in the Scientific Technical Cooperation Committee, whose most recent Finnish chairperson has been Professor Helge Gyllenberg.

Finland's Group To Be Appointed Soon

The President of the Republic will appoint the members of the Finnish side of the new commission in the very near future. Department Chief Lauri Tarasti will most likely become Chairman Matti Ahde's assistant.

The new high-level commission will naturally work in cooperation with the Economic Commission and the Scientific Technical Committee. Indeed, environmental protection is a subject of scientific research and an area of industry also as well as an aspect of trade as far as various purification plants and new, less polluting industrial plants are concerned.

Unlike the situation in the Economic Commission and the Scientific Technical Committee, the environmental commission will not, however, appear to have a direct connection with the Foreign Ministry.

Large Economic Interests

The following is said of the commission's tasks in the agreement signed by Matti Ahde and Yuri Israel, the environmental ministers of Finland and the Soviet Union:

"...the mixed commission will deliberate specific measures for developing cooperation, will compile periodic programs of cooperation, and will discuss the results of cooperation. The subjects and forms of cooperation as well as the time limits for the intermediate and final results of joint work, the general conditions of cooperation, and the officials and research institutes participating in its accomplishment will be determined in the cooperative programs."

Thus the question deals with large and far-reaching issues, large organizations, and also large economic interests.

According to the agreement, the mixed commission will convene at least once every 2 years alternately in each other's country. The meeting beginning in Moscow on 7 April will last a week.

Minister Matti Ahde says that the purpose now is to prepare a program for 2 years into the future and put the experts to work.

Emissions from Finland Reach the Soviet Union

Air protection will play an important role in the work of the commission; the reduction of sulfuric and nitrogen emissions and the purification of exhaust gases. Minister Ahde points out that as a consequence of westerly wind currents, more sulphur emissions travel from Finland to the Soviet Union than from there to Finland.

The Gulf of Finland and border water systems between our countries will naturally receive considerable attention in environmental cooperation. A separate agreement on these issues was concluded in 1984 and the stipulations contained in it will not be affected by last summer's agreement.

The commission's area of operation will also include waste management and the exploitation of waste, which is closely tied to industrial and commercial questions.

The preservation of primitive and virgin areas and such questions as the study of fauna and flora in border areas in particular where the borders of nature reserves may come together are a part of the commission's purest form of environmental protection work.

10576
CSO: 3617/78

ECONOMIC FINLAND

INDUSTRY GROUP LEADER WARNS OF ECONOMIC DOWNTURN

Helsinki UUSI SUOMI in Finnish 1 Feb 86 p 28

[Article: "Kairamo Demands Lower Interests Rates: "Western Trade Has Smashed Economic Picture"]

[Text] In Finland there prevails a misleading picture of the real economic situation, warns Director Kari Kairamo of the Industry Association. According to him, we are already in a recession, which has come sooner and more drastically then expected. Kairamo bases his judgment on the most recent information on the development of Western trade, which in his opinion is alarming.

"Finland's export prices have drastically dropped in the Western markets at the same time that export amounts have gone into a forceful downturn. Since demand will continue to grow at a rate of 4--5 percent in Europe, however, someone else is claiming our share of the market," says Kairamo.

According to preliminary data, Finland's exports to the West fell off by 10 percent in the last quarter of last year. Industry considers the reason for this exceptionally drastic decline to be the worsening price competitiveness, which is now at its lowest since the devaluation in 1982. Previously, we have been able to compensate for a weak price competitiveness with a real improvement in competitive ability, but now even this room for movement seems to have been exhausted according to Kairamo.

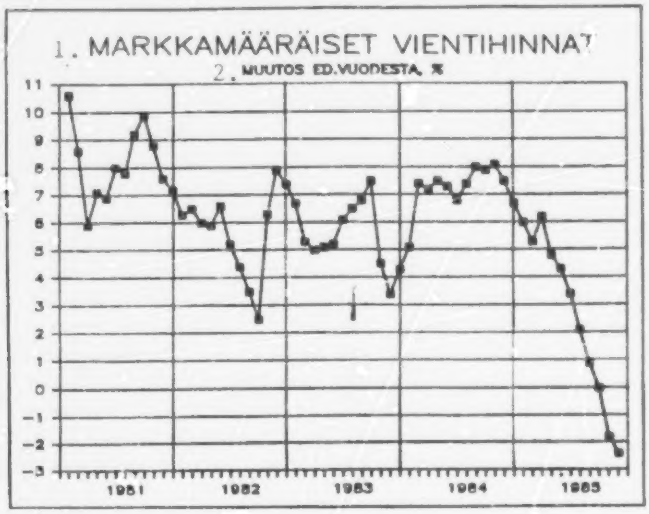
"Zero Inflation Is Not Enough"

Bringing down the inflation rate even to around zero is not enough according to Kairamo, structural changes will also have to be made in industry. The most important demand is a perceptible reduction of real interest rates.

"Real interest rates has increased so rapidly here that there has not even been time to comprehend its actual effects. I am of a different opinion than the Bank of Finland with respect to its impression that the high interest level has not cut into investments.

"It is estimated that investments increased approximately 3 percent last year. This, however, is the result of the forceful increase in investments by state-owned companies, which was probably about 60 percent. The investments of private industry have decreased and it is not expected that there will be an improvement under these conditions.

Kairamo reiterates demands for changing the energy tax, cutting labor costs, and for completely eliminating the sales tax on investments as some of the other structural revisions.



Finland's industrial export prices have drastically declined in the last year. The rate of drop was 4 percent already at the end of the year.

Key:
1. Export prices in markkaa
2. Change from the previous year, %

Risk Capital A Major Concern

The easing of the availability of risk capital is the most critical question for Finland's industry over the slightly longer term in the opinion of the chairman of the TKL [Industry Association]. It presupposes, among other things, making different forms of investment equal with respect to taxation as well as bringing the business tax reform to a conclusion.

Bonds and savings are predominate in comparison with share investments. For example, in comparison with Sweden the funding structure of industry is becoming worse by the day.

A New Spirit of Korpilammi Needed

The number one man in industry considers that the situation has deteriorated so quickly that there is a need for a "new Korpilammi spirit", within whose framework agreement could be reached on far-reaching actions.

10576
CSO: 3617/78

NATIONAL BANK CHIEF: GREATER GNP GROWTH AS INFLATION SLOWS

Reykjavik MORGUNBLADID in Icelandic 13 Feb 86 p 2

[Article: "Decrease of Statutory Interest Rates Not Without Intervention"]

[Text] Jonas Haralz, chief of the Icelandic National Bank, thinks that a decrease in real interest rates can only take place over a very long period of time, as the rate of inflation decreases: "Real interest rates will be higher in Iceland during the next few years, even if the rate of inflation decreases, due to the bad experiences of the public in this area. On the other hand, statutory interest rates should decrease as the rate of inflation decreases," said Haralz. When asked about it, Haralz said that interest rates for secured value bank loans which now bear interest rates of 4 to 5 percent could decrease in the near future.

In connection with wage agreements, the government has announced that it will, in cooperation with the Icelandic Central Bank, make an effort to achieve a reduction in statutory interest rates of credit institutions. It is also mentioned in the government's statement that real interest rates could fall on account of the strength in the Icelandic economy. Jonas Haralz was asked whether or not he thought that the proposal was to decrease the statutory interest rates of secured value loans more than the decrease in the credit terms index and more rapidly. "I expect that this will be the proposal. This will have the danger of a decrease in savings, unless people realize very quickly that the decreases are real and that the rate of inflation is declining."

"My view is that conditions are such that interest rates will fall, but that it will depend upon the circumstances how this will be achieved," said Johannes Nordal, chief of the Icelandic Central Bank when he was asked whether or not the decrease in statutory interest rates would be achieved through direct orders to credit institutions. Jonas Haralz said that he could not see how a decrease in statutory interest rates could be achieved to any real degree without regulations being issued to the credit institutions on the most important kinds of interest.

9857
CSO: 3626/0021

UNEMPLOYMENT AT FOUR YEAR LOW

Reykjavik MORGUNBLADID in Icelandic 15 Feb 86 p 3

[Article; "Days of Unemployment Least in Four Years"]

[Text] Registered unemployment this January was 2 percent of the estimated labor force. This is the smallest proportion since 1982. Registered days of unemployment were 51,000, equivalent to 2,400 persons unemployed for the entire month. Some 59 percent of unemployment was among women.

The most days of unemployment were registered in the Eastern Northland Region, around 12,000. Husavik accounted for 5,000. In other parts of Iceland unemployment was somewhat less or similar to what it was the previous month. On the last working day in January there were 2,000 persons unemployed compared to 3,300 at the end of December. A news release of the Labor Office of the Icelandic Ministry of Social Affairs says that these figures are undeniable indication that employment is quickly becoming stabilized again after the seasonal halting of fishing in December and January widely about Iceland. Registered unemployment in January of 1982 was 3.3 percent, 2.2 percent in 1983, 3.4 percent in 1984 and 2.3 percent in 1985.

Registered unemployment was as follows by region (figures in parentheses are for December, 1985): Capital Region 444 (325), Western Iceland 248 (166), West Fjords 38 (44), The Western Northern Region 219 (107), Eastern Northern Region 545 (467), Eastern Iceland 199 (259), the Vestmannaeyjar Islands 28 (15) and Sudurnes 387 (332).

9857
CSO: 3626/0021

LABOR PARTY PRESS ORGAN WARNS WILLOCH ON OIL, BUDGET ISSUES

Oslo ARBEIDERBLADET in Norwegian 14 Feb 86 p 4

[Editorial: "Eating Own Tail"]

[Text] It was particularly the future on which Hermod Skanland concentrated during his speech yesterday to representative firms in Norway's Bank. And it was not a bright picture which the national bank director saw ahead if we continue our economic policy with the same primary ingredients--respecting which we have become accustomed and contented.

To the extent that Skanland concerns himself with previous years' developments, a solid documentation of the government's errors in its money policy emerges. In the careful choice of words of the national bank director, "Viewed in retrospect, it would certainly have been better if deregulation of the credit market had been implemented while it (the money policy) was reasonably tight, that is to say, during the course of the period from 1980-83. We now have a situation where both money and credit policies have become strongly expansive, simultaneous with our being in an international competitive upturn."

The contractive money policy which the government pursued in the beginning years of the 1980's--when we experienced a decline in international competition--built up air in the credit balloon which exploded last year. When the government opened all the flood gates in the credit market, combined with strong thrusts from international competition, the result became an enormous growth in credit and private consumption. The government chose to put on the brakes on the uphill during the difficult years and has stepped on the gas on the downhill.

The immediate impression of this policy can look positive. We are better off than most countries in Western Europe in terms of our unemployment. We have experienced a growing labor market, but the basis for the growth is very unstable. It has occurred through a process which can be compared best with eating one's own tail. The government has used opportunities for creating temporary well-being instead of utilizing our resources for building a reasonable and secure foundation for the years to come.

Or to put it in the words of the national bank director: "Our ambitious goal regarding employment also has led to our continuing the expansive policy despite our obviously having found ourselves in a competitive upturn. When the financial resources no longer are available, employment problems will not be able to be solved in this fashion."

Along with OECD, Skanland finds a great deal of the cause for the development in the credit market in tax rules regarding interest and capital gains. The possibilities for implementing a credit policy are very limited as long as we allow tax subsidies through deductions of interest expenses so that the real costs of borrowing become disassociated from the international cost of money. It also is apparent that Skanland does not have particularly great faith that we will implement early and effective measures against interest deductions and their damaging effects on the Norwegian economy.

That doubt is extremely justifiable. "I have never seen one single concrete proposal concerning what the interest deduction ceiling actually should be," Willoch said recently in a speech. And thereafter he let loose with a smorgasbord list of problems such as: "Should junior who lives at home have his own interest ceiling?"

When politicians respond to demands for necessary reform with banal contrived problems, it is their own lack of will power which they are trying to hide.

12578
CSO: 3639/82

ENERGY DENMARK/GREENLAND

LONG RANGE ENERGY PROGRAM IN DOUBT OVER DANISH FUNDING

Switch From Oil to Hydroelectric

Copenhagen BERLINGSKE TIDENDE in Danish 27 Feb 86 p 2

[Article by Jorgen Skjoldan: "Home Rule Government Confused by Danish Loan Denial"]

[Text] GODTHAAB--The home rule government in Godthaab is confused by the Danish government's denial of a government loan of 400 million kroner for a power plant. Home rule leader Jonathan Motzfeldt will discuss the issue with the leader of Parliament.

The Greenland home rule government is confused over the Danish government's refusal to help with financing of the costs for five planned power stations which make up the primary elements of Greenland's efforts to become less dependent on oil.

Denied Loan

Initially, the Danish government has declined to make a loan of 400 million kroner for establishing a hydroelectric station at Jakobshavn. The Greenlanders' hope of a government guarantee for a foreign loan of the same amount also has been rejected.

"It is noteworthy that on one day a loan to Greenland is denied, and the next day the foreign minister signs a loan of 275 million kroner for Egypt," Jonathan Motzfeldt told BERLINGSKE. He emphasizes that he has nothing against Egypt, for example, but that it is difficult to understand in Greenland why both the loan and the government guarantee for an energy-related project have been denied.

"I will see the prime minister next week when I come to Copenhagen, but prior to then, I have arranged a meeting for Monday with Svend Jakobsen, the head of Parliament. We must hope that the leaders of Parliament will bring about a wide-ranging debate on the financing of the Greenland energy plan," said Jonathan Motzfeldt.

Strong Dependence on Oil

Greenland is strongly dependent on oil. It makes up 98 percent of the overall energy consumption. In the Greenland energy plan, there would be four hydroelectric plants and one coal-fired plant prior to the year 2005. This would cost a total of 2.3 billion kroner, but also would mean a decrease of 60 percent of the country's oil consumption.

Copenhagen Rejects Loan Request

Copenhagen BERLINGSKE TIDENDE in Danish 28 Feb 86 p 2

[Article: "Tom Hoyem: 'Greenland Must Find New Loan Sources'"]

[Text] Greenland Minister Tom Hoyem (Center Democrat) does not share the confusion of the Greenland home rule government over the fact that Denmark will not act as a guarantor for a government loan for five hydroelectric plants worth 400 million kroner which are to be built in Greenland before the year 2005.

"It is an interesting investment which would provide income in the form of tariffs. The finance minister has said 'no' to a loan guarantee from the Danish government, and this is consistent with Greenland itself overtaking, among other things, GTO--Greenland's Technical Organization--as of 1 January 1987," states Tom Hoyem, who continues:

"Greenland must instead look around in the loan market, including for example, the Nordic Investment Bank, European investment banks or private lenders. Interest rates would be only one-half or three-quarters of a percentage point higher than with a loan from the Danish government."

Home rule leader Jonathan Motzfeldt has let it be known that he will visit the head of Parliament on Monday in order to have a wide-ranging debate on the financing of the Greenland energy plan.

12578
CSO: 3613/78

HALT OF EASTERN COAST OIL SEARCH HAS ECONOMIC IMPACT

Copenhagen BERLINGSKE TIDENDE in Danish 27 Feb 86 Sect III p2

[Article by Jorgen Skjoldan: "Oil Search Halt Hits Greenland Air Hard"]

> [Text] The firm must dispose of its supplies and a number of Greenlanders will loose their jobs as a result of the American halt on oil exploration in eastern Greenland.

The decision of the American firm, Arco, to take a break in oil exploration in the Jamesonland area will have a number of serious consequences for the Greenland society. Initially, the decision will affect Greenland Air. The company (which is owned by SAS), Kryolit Company, the Danish government and the Greenland home rule government jointly will be forced to dispose of a significant portion of the planes and supplies which have been assembled with a view to extensive air transport for Arco's drilling in eastern Greenland.

Additionally, it will affect a couple hundred Greenlanders in obtaining jobs in connection with the oil exploration.

The notice of the halt in exploration was made on Tuesday and ever since, there has been hectic activity by the home rule government in Godthaab, where there is a fear of the consequences of the American decision.

"Although the winter is mild and there is light in the air, it is a dark day for the Greenland people. We have placed great expectations on the concession agreement with Arco. Now we can only hope that the measurements and drillings will commence again in two years," said home rule leader Jonathan Motzfeldt in a comment to BERLINGSKE.

Arco began seismologic explorations last summer. They have a six-year agreement with the home rule government and the Danish government to conduct oil exploration in the Arctic area.

12578
CSO: 3613/78

INDUSTRY GROUP FEARS ENERGY POLICY INADEQUATE TO MEET NEEDS

Oslo AFTENPOSTEN in Norwegian 13 Feb 86 p 44

[Article by Kjell Aaserud: "State Power Director: 'We Need Means for Additional Power'"]

[Text] "It is not possible to achieve a power balance in Norway in 1990. The deficit will be 2 billion kilowatt hours," Gunnar Vatten, the new State Power Plants director, said on Wednesday in a speech to Norway's Industrial Society and the Industrial Society for Electronics and Automation. Vatten also said that it is not possible to achieve a balance in 1995 and 2000 without having the means to accelerate projects both within the Overall Plan, as well as others, and additionally, without signigicant projects--which are considered as being in categories 2 and 3 in the Overall Plan--being readied for concession consideration.

The Commission for Hydroelectric Power has undertaken an extensive study and mapping. A primary problem according to this survey is to get districts with surplus power to undertake construction which would benefit districts with deficits. There is little interest in proposals for projects which are not necessary for covering local needs. Construction would burden cash reserves in the power-rich districts.

The report mentions establishing a centralized arrangement for purchase agreements as a means for solving this problem. Commitments by the State Power Plants are thought to be a possible solution in this regard.

Vatten described as disappointing the Environmental Protection Department's attitude toward Saltfjellet/Svartisen--the central project for the coming years. There also are signals which may influence the Breheimen-Stryn project for which the State Power Plants have sought concessions. Consideration of concessions for Stryn had been indicated for 1987. It now appears that there may be a one-year delay.

"It will be very problematic to supply the desired power for power-intensive industry and lumber manufacturing," said Vatten, who otherwise saw importing power through 1990 as an alternative for improving supplies. But conditions subsequent to 1990 make imports from Sweden unrealistic. We also must count on higher prices than previously. Otherwise, Vatten saw a possible production of power from gas as a supplement to an otherwise inadequate expansion of hydroelectric power, rather than as a substitute for it. The State Power Plants will present plans soon for a possible gas power station.

Industry Attacks Power Policies

During a large gathering of the Industrial Society for Electronics and Automation (IFEA) and Norway's Industrial Society, industry opposed the authorities' failure to supply power--which, with the help of prices, has led to rationing. This has led--and in increasing degrees will lead--to a decline in industrial competitiveness.

"It is of little help to acknowledge the need for increased power supplies if the acknowledgment is not followed up with concrete measures," said administrative director Knut Lofstad of Norway's Industrial Society. "Acknowledging the dangers in the lack of power must not lead to pointing unthinkingly to power from gas as the only possible alternative to hydroelectric power, even though this may be easy during the political debate. The price of gas and tax policies will be decisive as to whether gas power is competitive. Heat-generated power alternatives must be evaluated objectively and they must be projected into the future."

Chief engineer Torstein Tenmann of the Norwegian Forest Industries said that power consumption last year was 7 billion kilowatt hours greater than the government's estimates, simultaneously with power supplies gradually having decreased by 2 billion kilowatt hours. Power-intensive industries have sought more power. The Gothe committee now has the assignment of rationing electric power for a number of worthwhile projects from supplies which do not exist.

Division chief Geir Hoybye of Norway's Industrial Society said that it would be more than regrettable if the possibility of gas power causes delays or reduces further development of hydroelectric power. He strongly criticized the pricing of electricity and electricity costs, which this year will cost industry 1.4 billion kroner.

Arild Holland, administrative director of the Central Association of Paper Industries, also strongly attacked power prices which have tripled for the lumber industry from 1979 to 1985. "We are being deprived of the advantage we have had up to now," said Holland, who also pointed out that purchasers of power cannot seek bids in an open market. They are confronted by a monopoly which fixes price and delivery requirements in a manner different from other products. This becomes even more serious because principles are being followed which are not used in other countries. "The special Norwegian method of setting prices for power should be discontinued. There is a need for carving out a different pricing policy than that which the government is proposing," said Holland.

12578
CSO: 3639/80

ENERGY NORWAY

COUNTRY'S OIL PRODUCTION EXPECTED TO INCREASE SHARPLY IN 1986

Oslo AFTENPOSTEN in Norwegian 13 Feb 86 p 41

[Article by Morten Woldsdal: "Greatly Increased Oil Production This Year"]

> [Text] Norwegian raw oil production is expected to be significantly higher this year than last. The increase may be as much as 15 percent--or more than 100,000 barrels daily--if the current level of production is maintained throughout the year. Oil production increased by 10 percent from 1984 to 1985, so that the increase in Norwegian oil production may be as much as 25 percent in two years.

The Norwegian share of raw oil production on the Norwegian continental shelf is about 890,000 barrels a day at present. (One barrel is approximately 159 liters.) If production remains this great throughout 1986, the total for the year will reach approximately 44 million tons.

Last year, an average of about 700,000 barrels of oil was produced daily. The overall production for the year thus reached approximately 38.5 million tons. And in 1984, the daily production was an average of just under 700,000 barrels, with an annual production of 34.9 million tons.

The primary reason for Norwegian raw oil production increasing this year by nearly 15 percent--or more than 100,000 barrels a day--is Statfjord C platform in the North Sea. This platform commenced production during the summer last year, and thus, affected the production figures only for the last half of 1985. The daily production of approximately 220,000 barrels from Stratfjord C will be reflected in the figures for all of 1986.

Additionally, there are plans for the Ula field to commence production this fall. Initially, the field is expected to produce approximately 50,000 barrels of oil per day. Production of condensates from Heimdal will be included in the oil statistics for all of 1986 with about 6,000 barrels daily. Ula and Heimdal will make up for the decline in production from the Ekofisk field.

Norwegian raw oil production also will increase significantly in the coming years. Subsequent to the Gullfaks and Oseberg fields commencing production, it is expected that as early as 1989, at least 60 million tons of raw oil will be produced on the Norwegian shelf. This is an increase greatly in excess of 50 percent since 1984. The figure of 60 million tons of oil corresponds to an average daily production of 1.2 million barrels.

The OPEC countries presently are attempting to force Norway and Great Britain, among other countries, to decrease oil production. Without cooperation from the North Sea producers, OPEC is threatening to force prices down below $10 per barrel. Both the Norwegian and British governments, however, have stated to OPEC representatives that they will not consider limits on production.

Psychologic Significance

If Norwegian raw oil production in fact does rise by 15 percent this year--in addition to the 10 percent by which it rose last year--it clearly will create yet worsened relations between Norway and OPEC. Notwithstanding that Norwegian oil production is not great on a worldwide basis, the psychologic effect of production increases will not be insignificant.

Things were very quiet on the international oil market yesterday, with little buying. Oil prices fell a little. Oil from Great Britain's Brent Blend field was priced at $16.20-$16.40 per barrel for delivery in March, contrasted with $16.40-$16.60 on Tuesday. Yesterday, the price for oil from Brent for April delivery was $15.70-$15.80 per barrel.

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LOW OIL PRICES MAY LEAD TO POSTPONEMENT OF FIELD'S EXPANSION

Oslo AFTENPOSTEN in Norwegian 18 Feb 86 p 48

[Article by Morten Woldsdal: "Expansion of Snorre Field Possibly Postponed"]

> [Text] The oil companies which own the Snorre field in the North Sea presumably will delay the decision to develop the field, AFTENPOSTEN has learned. Low oil prices are the primary reason for many of the Snorre companies being skeptical about undertaking the development project this year, so that Parliament may be able to give the "go-ahead" in the spring of 1987. Now it appears that Parliament will consider the matter no earlier than the spring of 1988. This may be the first concrete example of the decline in the price of oil affecting activities on the Norwegian continental shelf.

The first sign of skepticism on the part of the oil companies already is apparent. The operator company, Saga Petroleum, has presented a plan for commencing so-called test production from a production ship or a rig in 1989. Investments in connection with such test production could be very minimal since Saga could lease the production vessels instead of building them. Thus, even though oil prices are low, such a project could be profitable. In this fashion, Saga also could obtain valuable information concerning production conditions. Nonetheless, several of the companies which are involved remain skeptical concerning investing money today in such a project.

Evaluation During Summer

Initially, Saga intended that the matter of the Snorre project itself--in contrast to test production--would be considered by Parliament during the spring session of 1988, with production to start in 1993.

This past year, however, Saga has been working with the following timetable: presentation of an evaluation report to the other share owners in June/July of this year; presentation of the so-called feasibility report in November this year; presentation of the construction plan in February, 1987; consideration by Parliament in May/June, 1987; and the commencement of production in the fall of 1992--nine months earlier than origianally planned.

In the evaluation plan which was intended to have been presented to the share owners during the summer, among other things, Saga was to have summarized the economic aspects of construction of Snorre. In reality, the oil companies will be required to decide to commence the construction project itself in connection with the presentation of the evaluation plan.

Following the recent dramatic decline in oil prices, several of the oil companies have become skeptical of approving construction of Snorre aleady this year. Even though Snorre will not commence production prior to the 1990's--and it will be oil prices at that time which will determine the profitability of the field--several of the partners want to postpone the decision concerning construction.

At a time when the companies are losing a lot of money due to the declining price of oil and dollar exchange rate, they do not want to approve new investments involving billions. The construction of the Snorre field is expected to cost about 40 billion kroner.

Buying Time

Several of the oil companies want to watch the developments on the oil market before they say "yes" to the Snorre project--the companies want to buy time. Most experts today count on oil prices increasing again in the 1990's, but none can say with certainty that that will occur. And it is clear that construction of the Snorre field will not be profitable at today's oil prices of approximately $16 per barrel. Presumably, oil prices must be above the $20-level before the enormous investment could pay off. Saga Petroleum itself states in a study: "The Snorre field is characterized as being at a great ocean depth (in excess of 300 meters) and as being a complicated reservoir.... Completed studies show that Snorre has a lower profit margin than the fields which are in production or under construction on the Norwegian shelf today." When Saga wrote that, the price of oil was more than $10 per barrel higher than the level of today.

By taking more time prior to making a decision on the construction of Snorre, the companies also hope to discover new technologic solutions which could reduce the coss of the project. According to that which AFTENPOSTEN has learned, neither Saga nor the majority of the other companies today count on consideration of the Snorre project by Parliament prior to the spring of 1988 at the earliest. "We think it is most realistic for the field to commence production in 1993-1995," a representative of the participants states.

Tax Decreases

All of the companies with which AFTENPOSTEN has been in contact believe that the Snorre field will be developed. The field contains in excess of 100 million tons of oil and neither the government nor the companies can afford to leave reserves of that magnitude underground. So if oil prices do not become high enough again, the companies are counting on the authorities changing tax rules applicable to the Norwegian shelf so that Snorre can be developed anyway.

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West Europe Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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FORMATION OF ABOVE-PARTIES GOVERNMENT ADVOCATED

Nicosia O AGON in Greek 2 Mar 86 p 3

[Editorial: "Yes, Above-Parties..."]

[Text] The forming of an above parties government from publicly-trusted people has been a steady demand of this newspaper. Consequently, we endorse and approve the proposal by the president of Democratic Rally [DISI] for formation of an above-parties Council of Ministers.

Not only do we approve, we call on the president of the republic to seriously study the suggestion and proceed to consultations with the political leadership with a goal of forming an above-parties government.

When DISI and AKEL demanded formation of a government of national unity, this newspaper disagreed, and based its disagreement on serious and proven arguments.

We said, and we continue to say, that a government of national unity is infeasible and, in the end, instead of a government of unity, a government of disunity will be accepted.

Why this is is very simple:

As long as there is no common line on the Cyprus problem, and no common approaches on the chief domestic problems, there are no prerequisites and bases for a government of national unity to function.

It will end up a government of Babel and, before it can even carry out its second session, it will dissolve under the weight of differences, disagreements and chasms.

If, of course, there were a common line on the Cyprus problem, and common theories on the main domestic problems, a government of national unity would be an ideal solution and a unifying element for the political forces and the people.

But at present the political leaders cannot even agree to meet! How will they agree to cooperate in an interparty government....

The only solution remaining, therefore, is an above-parties government.

Prestigious and publicly-trusted personalities should be called on to take up the reins and man a new government.

With a goal of becoming a bridge of unity between all the political forces and the people, and a mission of promoting and solving the country's burning problems.

Because Kliridis very correctly stresses the discordance and peculiarity prevailing now.

Let an above-parties confronting of the problems be sought through a party government!

This is not possible or fair.

In order to promote an above-parties policy and demand others to confront in an above-party spirit the chief problems, a government must be first, and above all, an above-parties body itself.

Within these frameworks, the burning economic problem, which is now being racked by party disputes, can be confronted, as can the country's other problems.

Moreover, the above-parties government will help in dispelling distrust and will restore a climate of trust and cooperation between the leaders and all the political forces.

But also, on the great national issue, it can become a contributive factor for promoting a common line and a pole for conciliating the various opposing opinions and positions.

We can proceed to formation of an above-parties government with the assurance that we are making a correct step forward and in the direction of strengthening unity and promoting the great problems we face.

The only thing needed is the inclination, and for serious initiatives to be undertaken.

And the initiative must come from the president.

The first step should be a meeting of the political leadership, with a topic of forming a government of public trust. And then we should proceed to choosing the appropriate above-parties personalities who will be called on to offer their services.

We are expecting there to be movement in this direction. And, we repeat, we are expecting the movement to be made by the president of the republic....

9247
CSO: 3521/99

POLITICAL DENMARK

ELECTIONS ANALYST: SDP IN STRONG POSITION AFTER EC DEFEAT

Copenhagen BERLINGSKE TIDENDE in Danish 10 Mar 86 p 2

[Article by Thorkild Dahl: Social Democrats Could Win Next Election"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The public is moving away from "neoconservatism," in the view of elections analyst Jorgen Goul Andersen and with a new economic model the Social Democrats would be almost certain to win the next Folketing election.

The Social Democrats are headed for a great future and are likely to win by a landslide in the next Folketing election. The party's decline in the opinion polls is a superficial phenomenon and voters are increasingly ready to support a new unified Social Democratic project, according to elections analyst Jorgen Goul Andersen of Arhus University.

The analyst has looked behind the opinion poll trends. On the basis of the independent study made by the Institute for Political Science, Jorgen Goul Andersen said that "only the Social Democrats themselves could prevent a landslide victory."

The results were published in the Federation of Trade Unions' FAGLIGT NYHEDSBREV and according to the university's opinion survey from last September: "Dramatic changes have occurred recently in the economic and social attitudes of Danes--away from the brief flirtation with 'neoconservatism' and toward a united solidarity."

"More than at any other time since the landslide election of 1973 the Social Democrats now have a chance of presenting a unified policy that matches the growing socialist climate of opinion. If they fail to do so, other parties will fill the gap, of course," said Jorgen Goul Andersen.

According to the elections analyst the Social Democrats should come up with a unified "project" containing a new Social Democratic economic model that will ensure material growth while at the same time leading to fair social consequences and the avoidance of dividing the population into "A and B groups," a model that is also based on the views of environmentalists and peace activists.

6578
CSO: 3613/88

POLITICAL DENMARK

CABINET SHUFFLE SEEN IMPROVING SCHLUTER CHANCES IN ELECTION

Copenhagen BERLINGSKE TIDENDE in Danish 12 Mar 86 p 7

[Article by Thorkild Dahl, Per Lyngby and Ole Dall: "Schluter Makes Deep Cuts"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The new cabinet team is intended to ensure re-election in the fall of 1987 and the prime minister has made one of the most extensive cabinet changes ever. Two women disappeared from the government and the man in favor of equality--the prime minister--now has a team of 18 men and 3 women.

Prime Minister Poul Schluter (Conservative) and Foreign Minister Uffe Ellemann-Jensen (Liberal [V]) made deep cuts to come up with what the prime minister called a new team that could ensure the re-election of the Schluter government in the fall of 1987.

"A team for the future" is what the foreign minister called the new cabinet which is being presented at 10:30 this morning to Queen Ingrid, the leader of the nation, following a drama in which six ministers were kicked out.

Prime Minister Poul Schluter had listened to his advisers and their criticism of an increasingly worn-out government. New people were needed.

The prime minister is presenting three new ministers brought in from outside the government and called it refreshing to carry out such an extensive reshuffling of the government.

"We considered it best to carry on as we started out. We also brought in people from the outside then, among them the tax minister and the defense minister," Poul Schluter said late last night.

Director Nils Wilhjelm (Conservative), chairman of the Industrial Council, will replace Conservative Ib Stetter, who has been criticized internally for not being dynamic and flexible enough.

There will also be a new cultural affairs minister, Professor H. P. Clausen--selected by the Conservatives--who is especially well-known as chairman of the Media Commission. There are high hopes that H. P. Clausen will be the man who can get the negotiations going on a second TV channel and get quick results.

From the Novo drug concern comes former Conservative Folketing member, marketing director Henning Dyremose, who is taking over the controversial Labor Ministry which Labor Minister Grethe Fenger Moller never managed to get under control.

From the Conservative Folketing group comes political spokesman Lars P. Gammelgaard, who has long wanted a cabinet post. Liberal Finance Committee chairman Svend Erik Hovmand will be the new energy minister. The comet in the new government is Helsinge mayor Thor Pedersen (V), who sailed past many older colleagues in the Folketing group. He came in only a year ago as a deputy for former Finance Minister Henning Christophersen.

The new appointments mean that Internal Affairs Minister Britta Schall Holberg (V) after much criticism from the municipalities--but having completed her government task of collecting money--will move to the Agriculture Ministry. Here the job is to win over the majority that sharply opposed the policies of departing Agriculture Minister Niels Anker Kofoed.

Energy Minister Knud Enggaard will move to the Internal Affairs Ministry and thus a Liberal will continue to confront the municipal districts, most of which have Liberal mayors.

The future leader of the Center-Democrats [CD], Mimi Stilling Jakobsen, will be given a more prominent position, as expected, and will become social affairs minister, the position she asked for.

The departing labor minister, Grethe Fenger Moller (Conservative) is being given a golden handshake with her assignment as political spokesman for the Conservative group. Grethe Fenger Moller was respected as spokesman on labor market policy but as minister she ran into sharp criticism from practically all the labor market factions.

Agriculture Minister Niels Anker Kofoed, who has been criticized for not always being considerate of a variety of Liberal chairmen, and Fisheries Minister Henning Grove, who had to go to make room for someone else, were asked to submit their resignations.

Liberal Social Affairs Minister Elsebeth Kock Petersen balked for a long time and in the end refused to accept an offer to make her minister of housing. She then decided to resign. CD's Housing Minister Niels Bollmann has been criticized for passivity in his post and CD decided to make his seat available and bring Bollmann back to his job as chairman of the Folketing group, where he won respect in the past for his former efforts.

At the last minute the Christian People's Party tried to interfere in the government shakeup and arrived at the prime minister's office yesterday afternoon with a demand for another cabinet post in addition to the one held by Environmental Affairs Minister Christian Christensen.

The revolt of group chairman Jens Steffensen and national chairman Flemming Kofod-Svendsen did not lead anywhere and Christian Christensen is still the party's spokesman. Late last night the prime minister stressed that not only does the Christian People's Party have one big ministry--the Environmental Affairs Ministry--it actually has two, because Christian Christensen is also Nordic affairs minister.

The government shakeup means that there has been some change in the party balance in the government. The Conservatives got one more ministerial post and now hold nine, while the Liberals still have eight ministerial posts. CD lost one post and now has three and as before the Christian People's Party is the Benjamin of the government with only one ministerial post.

It is worth noting that Prime Minister Poul Schluter dismissed two women from the government without appointing any new ones to the four-party coalition government. The man in favor of equality--the prime minister--now has a government made up of 18 men and 3 women.

6578
CSO: 3613/88

SPIEGEL SCORES POLITICIZATION OF CENTRAL AMERICAN AID PROGRAM

Hamburg DER SPIEGEL in German 13 Jan 86 pp 44-51

[Article by Richard Kiessler, SPIEGEL editor: "The People in Bonn Do Not Want That"]

[Text] Agrkicultural engineer Guenter Ullrich brakes the four-wheel drive vehicle at a dusty turn-off in the Valle de los Aburtos, 40 km northwest of Managua. Two campesinos with machetes climb on the flatbed; they want a ride to the next village.

Ullrich and his team are well known in this region of Nicaragua. Initially suspicious, later with amazement, the farmers in the vicinity of Nandayosi hamlet watched the work of the crazy Germans who, according to Ulbricht, "managed to turn shit into energy"--with the help of biogas plants.

Three years ago, when the Germans first arrived, biogas plants were still considered "technological folklore." Before the revolution that toppled dictator Somoza, Americans had vainly tried to teach the farmers how to convert organic waste into descented sewer gas and thus enable them to produce combustible and environment friendly energy.

Following frustrating failures, the Germans succeeded in breaking through. The campesinos' suspicions gradually vanished. As Ullrich's fellow worker Reinhold Hoffmann puts it, "beans cooked on a biogas stove taste just as good as those cooked over a wood fire."

Experiments with small and medium size plants have just been concluded and the first tests begun, using cheap biogas to meet the energy needs of slaughterhouses or pig farms.

Unfortunately that project (No 80.2224.6 of the government controlled Society for Technical Cooperation (GTZ) in Eschborn) will not come to fruition because it has to be abandoned. Skilled farmer Ullrich says "we would need to stay another 2 or 3 years, but the people in Bonn do not want that."

The command given by the Ministry for Economic Cooperation (BMZ) is unequivocal. The GTZ has been closing down the project since the beginning of this year. According to an internal GTZ document, this pulls the plug on the opportunity to spread biogas technology in Nicaragua on a large scale and within a very brief delay." A senior GTZ official comments that "for us to have to leave amounts to a disaster."

Juergen Warnke, Bonn's CSU minister for Economic Cooperation, does not dispute this judgment. He simply refuses by West German development aid to contribute to the stabilization of the leftist Sandinista Government which he accuses of disregarding human rights. Warnke has decreed that all projects in Nicaragua must be submitted to him personally; he decides what may be done and what must be abandoned--and that is virtually everything. The watchword is withdrawal; some DM50 million of grants approved earlier have now been frozen.

By contrast, the minister is pumping more and more money and aid projects into the neighboring El Salvador. Last year he promised DM50 billion to that country, governed by Christian Democrat Jose Napoleon Duarte. It makes no difference how human rights are abused there. The main concern is that the government carries on the correct policy, while German business earns excellent profits.

As one GTZ staffer reports, the Eschborn experts were requested to cobble together development aid projects "with a hot needle." The BMZ is said to have impatiently urged to at last make a German presence felt again in El Salvador, racked by civil war. A diplomat describes the situation by saying "the will to help is greater than the demand for aid."

Karl Klissenbauer, a skilled joiner, is in charge of a project initiated by the Bonn Christian Democrats. Together with two more GTZ fellow workers he is supposed to train 72 14-50 year old boys and men fpr semiskilled work in crash courses of only 500 hours. The equipment, 60 brand new tool sets, is in place. But the "desplazados," refugees who streamed toward the capital, only sporadically attend the courses.

The hasty program (with a term of 1 year) makes little sense. The end result is represented by a few poorly trained people whose skills are not adequate for the repair of the shacks in the overpopulated marginal districts of San Salvador.

Contradictions of German development aid policy in Central America: The withdrawal from Nicaragua and the commitment to El Salvador demonstrate Warnke's change of course. In the hands of the CSU minister, development policy has turned into a tool of export promotion exclusively. He frankly admits "that projects are chosen wherever German business is competitive and efficient."

Though Warnke pretends not to wish to "mobilize (the Third World) as a Western auxiliary force," Bonn's Third World policy is not to "contribute to its establishment in the camp of our international opposite number." In fact this is precisely what he is doing. With increasing blatancy he considers development aid a means for exercising political pressure in the argument with countries of a different stamp: Development aid becomes an element in the competition between the systems.

Flying in the face of all assertions by FDP Foreign Minister Hans-Dietrich Genscher that the Third World countries should not be drawn into the East-West conflict, his CSU colleague has resolutely linked Bonn development aid to the friend-foe strategy of the U.S.Western superpower.

This is evidently and against all good sense happening now in Central America. In this critical region, the backyard of the United States, the obedient Bonn Allies have subordinated their development aid to the "perfectly well understood security interests of the West" (Warnke), specially in Nicaragua and El Salvador.

Entirely in the CSU minister's spirit, an internal BMZ file pleads for "closer cooperation with pro-Western developing countries...(and) an end to undifferentiated aid to those developing countries which have ranged themselves with the Soviet Union's aggressive international strategy." This remark is aimed in particular at Sandinista Nicaragua.

Warnke's crude interpretation of relations with the recipient countries was demonstrated following the American invasion of Grenada. At that time he explained to the general public that the CDU/CSU felt total solidarity with U.S.President Ronald Reagan's interventionist policy. In the fall 1983, Warnke said "the countries of the Third World must learn that they cannot get away with abusing their sovereignty."

Waltraut Heidenreich--the only woman among the GTZ experts still working in Nicaragua--had come to that Central American country precisely because she wanted to assist the development of national independence. "Not as a spectator at a revolution," she says, "but because I back the attempt of the country to achieve greater independence."

This purpose is served by her project in the education ministry in Managua. Waltraut Heidenreich drafts curricula for elementary schools as well as training and continuing educational programs for teachers. GTZ experts urged that this work should continue, especially in the ideologically neutral disciplines natural science and agriculture. However, without even advising the people concerned in Nicaragua, the Minister for Economic Cooperation ordered the tapering off of GTZ project No 80.2103.2 "expansion of the primary school system." Last week, on the other hand, the minister quietly decided to extend a half finished projects related to vocational training. His reason: The future auto mechanics will drift to private enterprises and therefore not be useful to the Sandinistas.

This is the point at which Warnke's cynical doctrine of the have-nots' limited independence comes to the fore: He is making further development aid for Nicaragua dependent on "the Sandinistas abandoning their export of revolution and realizing a minimum of pluralism." The Bonn people justify their policy by claiming to consider NATO. A paper by the Foreign Ministry, dated 19 October 1985 notes that "the United States views the entire Caribbean as a strategic region of vital interest for the North Atlantic Alliance, too."

Such considerations do not deter the British, French, Netherlanders or Italians from providing further development aid to the Sandinistas or even pursuing project already abandoned by the West Germans.

In fact Warnke's policy is due far more to subservience to the United States. Even Bonn's diplomats admit that the Kohl Government is all too willing to bow to American pressure. Their internal analysis runs something like this: Washington's aid to the Contras who fight the leftist regime in Managua, has been rather unsuccessful. That is why Elliot Abrams, undersecretary competent for Latin America in the State Department, is calling for greater pressure on Nicaragua "by stopping all foreign aid"--including that granted by the Europeans.

Warnke has learned his lesson well and made it prevail in the Coalition--against Genscher's Foreign Ministry. The latter's diplomats consider Warnke's policy to be on the wrong track entirely. "Our basic concept is wrong," complains a German ambassador in Central America, "and needs to be reviewed." However, the head of the Foreign Ministry, fed up with coalition squabbles about "subsidiary theaters of war" (Genscher), is avoiding a showdown.

To cite the latest exzample: In Luxembourg last November, when the foreign ministers of the EC countries agreed on financial aid for all six Central American states, Genscher--under pressure by Warnke--insisted on inserting a reservation in the minutes: This said that the moneys were intended for countries where human rights are respected and "democratic freedoms" guaranteed. The French thereupon insisted on their own addition: Not a single Central American country may be barred from financial aid.

The reference to human rights shows all the hypocrisy of Warnke's policy. Let him explain why development aid to Nicaragua should be prohibited while such aid to neighboring El Salvador finds favor--simply fraudulent labeling: The one tiny country is alleged from the American viewpoint to have fallen prey to the Soviets and to threaten all dissidents as well as its neighbors. The other, governed by Duarte, is claimed to be experiencing a democratic revival.

The knitting pattern is as simple as it is wrong. It is true that in Nicaragua, beset by civil war, human rights are constantly abused. On the occasion of an inspection trip in Nicaragua last December, left wing SPD deputy Hans-Ulrich Klose noted "degrading conditions" were common in the treatment of members of the opposition.

However, in contrast to El Salvador, the reports by international human rights organizations such as "Americas Watch" agree that "no killings by security organs are occurring." There are no missing persons, such as were kidnaped, tortured or murdered by the death squads of the right. On the other hand, the Contras--backed by U.S.money--are guilty of massacres of civilians. In April 1983, for example, German physician Albrecht Tonio Pflaum fell victim to a Contra death squad.

According to SPD emissary Klose, human rights violations are "considerably worse" in El Salvador than in Nicaragua, and the same was reported earlier by Amnesty International and the Red Cross. The former Hamburg mayor noted "the daily practice of torture" in the country of reformist Christian Democrat Duarte. Moreover, Church people in San Salvador confirm that political murder of members of the opposition is again on the rise. Arbitrary arrests by the army continue to exactly the same extent, the state of emergency persists.

CDU right wingers, such as Parliamentary State Secretary Ottfried Hennig (and that fits the picture) justify this officially sanctioned terror by saying that it is not possible "to totally turn upside down an army which is inmidst a hard and life threatening struggle."

Such slanted excuses paper over the contradictions of Bonn's development policy. Human rights are not by any means a universal criterion for the grant or refusal of money. CSU Minister Warnke, for example, gives many millions of development aid to Zaire and Togo, the two "Bavarian-African" countries courted by his party chairman Franz Josef Strauss.

Not a single press release issued by Warnke's ministry mentions the fact that neither of these two regimes--as per the evidence submitted by Amnesty International--shys away from human rights violations.

Not opnly anticommunist fellow travelers of the ilk of the corrupt Zairian ruler Mobutu Sese Seko enjoy the full bounty of the Warnke millions. Other leftist regimes, such as those in Mozambique, Angola, Ethiopia or Zimbabwe, are also granted aid without political strings though none of them can claim to be a model country with a pluralistic structure. However, they are not quite so important to Washington--and therefore Bonn.

According to the residents of Managua, Nicaragua--on the other hand--is located "so far from God and so close to the United States." Since Warnke has taken over the BMZ, different yardsticks are applied to that country. In October 1984 he trumpeted: "If the Sandinistas want to get promises from us, they will have to stop stirring up the civil war in Salvador."

Lately he has somewhat toned down the standard accusation that the regime in Managua was "invading its neighbors"--evidently for lack of sufficient proof. In fact, military aid for the guerrillas in El Salvador has declined, and the leftist fighters get their weapons replacements from corrupt officers in the Duarte regime. The economically beleaguered Sandinistas limit themselves to ideological support.

Bonn's policy with regard to El Salvador is very different indeed. Human rights violations and official repression concern the BMZ as little as does every day corruption. Duarte is to get his millions--and domestic business is to profit thereby.

The confidential BMZ "record of results" of 30 August 1985 on negotiations with El Salvador of about development aid say that "the German delegation"

> ...pointed out that there was an intimate link between sufficient employment in the German economy and German possibilities for development cooperation.

That is why

> Taking into consideration its competitive capacity, German business was to receive preferential treatment with regard to the deliveries and services involved in the cooperation projects, selected by developmental criteria.

The same had applied to earlier "commodity aid" also. In 1984, Bonn granted DM30 million. Since then, complained BMZ State Secretary Volkmar Koehler, only DM13.7 millions' worth of pharmaceuticals, chemical raw materials and machinery had been ordered. Nevertheless, Bonn promised another DM20 millikon in commodity aid for 1985. Bayer, the chemical giant, was the main beneficiary.

Simultaneously the Bonn people wish to revive old projects, abandoned for security reasons in 1979, during the civil war.

One example is the Atiocoyo irrigation project. DM2.7 million of Bonn's tax money is to be spent on land, service centers, sets of machines and a fodder factory.

At his visit to El Salvador in September 1984, Minister Warnke avoided the strenuous overland trip to Atiocoyo--for security reasons. If he had gone, he would have been able to inspect the expensive but useless rice husking machine made in Germany. It sits unused and rusting in the El Jejen workshop.

During daylight hours the project is guarded by government soldiers equipped with German G-3 rifles. Before dusk, though, they retire to their barracks--and then the guerrillas arrive from mearby Chalatenango Province.

Moreover, the agricultural technicians sometimes strike for higher wages with the result that the few still operating tractors cannot be delivered to the campesinos. Consequently the rice paddies are not irrigated in time, and the second harvest is lost. Donated food from the industrial countries fills the gap.

At the freeway overpass in front of San Salvador's airport terminal, the Duarte Government is displaying a banner thanking its foreign friends for generous donations of all kinds: "Gracias Amigos del Mundo por su Respaldo--Thanks to Our Friends the World Over for Their Support."

Those thanks are certainly meant also for the Konrad-Adenauer Foundation (KAS), linked to the CDU. It assisted the Christian Democrat head of government in his election campaign by providing a radio transmitter paid for by German tax money.

Usually members of the Bundestag Committee on Economic Cooperation scrutinize all plans before any grant is approved. Former Green deputy Gaby Gottwald complains that the members of that committee "only learned about this project in mid-1984, in other words after Duarte's election." The Warnke budget's confidential "comparison of targets with actual figures" shows supplementary payments amounting to DM297,500 and DM1.37 million respectively to the KAS "for the construction of transmitters and the operation of a radio transmitter" in El Salvador.

In Nicaragua the foundation is quite uninterested in any thanks by the government. Employing BMZ money, it assists the Association of Private Entrepreneurs (Cosep) for the purpose of "studies and seminars"--to the tune of DM990,000 in 1984 alone. In future it even intends to train private managers, provided the Sandinistas consent.

The CDU foundation lost the confidence of the Sandinistas when it aroused the suspicion of having channeled CIA money to the anti-Sandinista guerrilla organization Arde, led by Eden Pastora. The KAS head office denies this allegation. General manager Lothar Kraft claims that former staff member Wolfram Picht had "solemnly sworn" not to have laundered money.

The facts are these: In May 1984, Picht hastily left the Hotel Ticomo in Managua, asked the German Embassy for an escort to the airport and, on the instructions of the KAS, departed for Costa Rica with his woman friend. The Adenauer employee fled when the radio quoted a report by the WASHINGTON POST which claimed that the foundation had channeled more than $1 million CIA money to the Contras.

The KAS is permitted nevertheless to cozy up to the legal opposition, unmolested by the Sandinistas. The FDP controlled Friedrich-Naumann Foundation also was able in 1984 to provide DM110,000 financial aid (contributed by the BMZ) to the opposition newspaper LA PRENSA. SPD expert Uwe Holtz asks the pertinent question: "Where else in the Third World are political foundations able to so openly collaborate with opponents of the government?"

Warnke, though, refuses to acknowledge that. Not only does the CSU minister cut his department's aid to Nicaragua, he also exerts pressure on private or ecclesiastical institutions dependent on BMZ allocations so as to make them turn their backs on Nicaragua.

The minister refuses to admit the facts confirmed by the German personnel of all official, ecclesiastical or private aid organizations. Warnke's otherwise avowed principle of "strengthening the forces of self-help" is evidently succeeding in Nicaragua. The framework conditions for development aid there are better by far than in most Third World countries. GTZ biologist Rainer Daxl notes that "here our aid indeed benefits those in need."

"Bread for the World" chief Hans-Otto Hahn complains that, "under these circumstances it is unjustified for the Federal Government no longer to approve aid to Nicaragua and to actually keep back money already approved."

Protestant Church people like Hahn have resisted Warnke's strong pressure. "Services Overseas" (DU), for example, have increased their staff in Nicaragua from 16 to 25 since 1984.

Among them is Ernst Fuchs, formerly chief neurosurgeon at West Berlin's giant Steglitz Hospital. In 1978 Fuchs joined the Sandinista guerrillas and, since the victory of the revolution, has been performing surgery at the modest Lenin-Fonseca Hospital in Managua. Dr "Carlos Vanzetti" kept his assumed name from the times of the guerrilla. He had a contract with the GTZ until 1983, when--for spurious reasons, he asserts--his contract was not renewed. He is now paid by the DU.

The German Development Aid Service (DED) in Nicarague suffers from the pressure of the Warnke ministry even more than the ecclesiastical institutions which get only part of their funds from that department. The remaining 25 DED personnel are permitted only to initiate projects "with private institutions."

In practice that is not so simple. The five telecommunication engineers in Managua, for example, who endeavor to prevent the collapse of the telephone network, are able only to cooperate with the government. Siemens, operating very profitably in Nicaragua before the revolution, withdrew from there when the Bonn conservatives barred government guarantees for Nicaragua.

Former china and porcelain lobbyist Warnke does not otherwise allow any opportunity for selling German telephones to slip him by, not even in poverty stricken Bangladesh. Only Nicaragua was rejected. According to the BMZ, it would "not be sensible in terms of development policy."

DED has been barred for the past 2 years from initiating any new projects with the Nicaraguan Government. Satisfactorily running and long-range projects in agriculture and crafts had to be abandoned, development ruins are left. A DED staffer in Managua comments bitterly: "Nobody at all in the BMZ cares in the least about the projects operating here."

One example is the development of a process for blowing plastic, invented by a DED aide: Toothpaste tubes are made of plastic, no longer of costly tin. That alone saves the state $1 million.

As it is, this project was implemented by private aid: IG Metal labor unionists in the Federal Republic collected money and shipped a hardening furnace as well as polishing and milling machines.

In general, the withdrawal of official aid has given rise to a kind of developmental counterculture. Among West German labor unions, churches and youth associations, solidarity with the small obstinate country has achieved dimensions almost unprecedented for a Third World country or liberation movement.

Albert Luther (DU office in Managua) estimates that about 400 West German, including official aid personnel, work somewhere in the country. The "Sandalistas" are building schools, picking coffee or, like two emergency physicians of the "Cape Anamur Committee," work in first aid stations right in the middle of the battlefields.

One SPD group in Bad Hersfeld collected DM40,000. After Christmas some comrades worked for 3 weeks in the hospital at San Carlos. Other "brigadistas" from German Nicaragua committees are testing themselves in Pantasma Valley on the reconstruction of farmer cooperatives, attacked and destroyed by the Contras.

Above all, money is being collected for Nicaragua all over the Federal Republic. The Young Socialists picked up more than DM150,000 for a paving stone factory in Masaya, Darmstadt residents gave DM100,000 for a vocational school, even the Young Union is appealing for money for Nicaragua.

The Land Hessen sent DM1 million when "medico international" asked for money for a hospital on the San Juan River and did not get any from Bonn. Warnke has appealed this decision with Minister President Holger Boerner.

"This FRG policy," comments Dr Carlos Vanzetti, "is pushing the country in exactly the most undesirable direction: Wherever the Germans withdraw, the East enters."

Josef Rusnak, Bonn's Ambassador in Managua since September last, puts it this way: "We cannot influence a regime without doing something."

11698
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STALINIST NEWSPAPER BLAMES GROWING RIFT ON AALTO, SKDL

'Aalto Group' Disintegrating SKDL

Helsinki TIEDONANTAJA in Finnish 7 Feb 86 p 2

[Editorial: "Election Work"]

[Text] It must be said with complete clarity that Aalto's faction has already made decisions to disperse the joint election alliances of the SKDL [Finnish People's Democratic League]. All proposals for ensuring joint election alliances free of discrimination have been rejected. In this sense the disruption of the election is already a fait accompli. No one should any longer be unclear about this.

Aalto's faction and its helpers in the leadership of the SKDL are now only carrying out a low-profile tactic in their disruptive efforts. Esko Vainionpaa's recent boast about disrupting the elections and wager on a bottle of vodka have been confirmed to be stupid and revealing. Now they are observing a tactic of silence and obscurity in public at the same time that a policy of disruption is being consistently put into operation.

Aalto's faction has calculated that in this way it can alleviate the burden of its own guilt, foment confusion and an atmosphere of expectation among the People's Democratic movement's members and supporters, and disrupt unified ranks.

Now all those who support the overall interests of the movement must reveal and condemn the already accomplished disruption of the SKDL's election alliances and adopt measures to protect the full election rights of the Communists, People's Democrats, and other progressive forces if the SKDL's leadership does not retract its disruption decisions by 1 March. The protection of these rights cannot be compromised.

At the same time, every effort must be made to let the movement's members, supporters, and workers know who is promoting the disruption of the elections, why, and with what repercussions.

A disruption of the elections would result in an election defeat, would essentially weaken the influence of the Communists and People's Democrats and thus the influence of the workers' and democratic movement, in general, in the life of the country, would completely correspond with the interests of the right wing, and would open up the path for it for an increasingly far-reaching effect on domestic as well as foreign policy.

This is also pointed out in an article in today's edition, in which right-wing actions against the SKP are discussed. The chief organ of the CPSU, PRAVDA, has also given serious attention to this same matter several times.

The forces which have adopted a unified front in election work must adopt the building of a broad democratic front as its guiding star instead of disruption as well as dare to come out on behalf of political objectives in accordance with peace, our country's national interests, and the workers' interests.

Election work must begin immediately.

Columnist on 'New Party'

Helsinki TIEDONANTAJA in Finnish 11 Feb 86 p 3

[Commentary by Erkki Susi]

[Text] Once again the establishment of a new party is being foisted upon the SKP's Marxist-Leninist majority.

In Saturday's edition of ILTALEHTI Uolevi Mattila stated that the "Taistoites" [Stalinists] are establishing their own party at a meeting to be held this spring.

Mattila even knew the time and place of the meeting. That which Mattila is relating and on whose behalf he is distorting the facts can be determined from one or another source of information.

On the same day the provincial People's Democratic newspapers, for their part, published DLP's "news", according to which "the TIEDONANTAJA faction intends to establish a new party...rather soon after 1 March". A completely absurd reference is made to the lead article dealing with election unity in Friday's edition of TIEDONANTAJA.

In the above-mentioned cases an attempt is being made to turn the hopes of those dividing the SKP into a reality by means of propaganda.

Whatever measures the forces on the side of the SKP take, it is misleading to talk about the establishment of a new party.

The majority of the SKP's organizations and members is on the side of a unified Marxist-Leninist SKP. This majority is comprised of traditional, united SKP organizations and members, is based on the regulations of a unified SKP, and carries the membership card of a unified SKP.

Why should this majority resign from the SKP and establish a new party? It should rather be Aalto's faction, which represents a narrow minority.

Aalto's faction is building and will be forced to build a new right-wing party. An attempt is being made to provoke those on the side of the SKP to leave the SKP in order to cover this up.

Is not a new party being contemplated rather by Aalto's faction, which is compelled to establish legions of new disruptive organizations and to select a suitable membership for its new party, which holds power illegally and contrary to the regulations, which has tampered with these regulations and has exchanged democratic centralism with bureaucratic centralism?

How are the forces which are bound to the SKP's tradition of struggle, the SKP's principles, the SKP's main line, the SKP's national and international essence, and to the SKP's international relations establishing a new party?

A new party is being contemplated by those who belittle the SKP's tradition of struggle, turn its policy of principles into a non-Marxist reformism, nationalism, and class harmony, and damage its international relations.

How can there even be any talk about the establishment of a new party on the part of such a force which itself represents the SKP? A new party is being established by those who are not pleased by a united Marxist-Leninist SKP.

The forces on the side of the SKP may, indeed, have to rebuild a Marxist-Leninist SKP if or when Aalto's faction takes its policy of disruption and liquidation to a conclusion.

Aalto's faction may also procure for itself the exclusive right to use the "SKP" name for its new party.

But if the issue is looked at from the point of view of content and not form and from the point of view of judicial administration, the forces on the side of the SKP will ensure the continued operation of the SKP as a Marxist-Leninist party.

Nitpicking, trickiness, and mysticism? Hardly. Rather logic if one is of the opinion that Aalto's faction is building a new party.

Last week TIEDONANTAJA published an article entitled "When Honesty Deceives", in which the attitude of Aalto's faction toward internationalism was examined.

Aalto's Politburo debated this rather aggravating article from its own point of view and decided that Information Secretary Oiva Bjorkbacka will write an answer with his gloves on.

Bjorkbacka's article was published in Friday's KANSAN UUTISET. Not one reader could conclude on its basis as to why the article published in TIEDONANTAJA caused so much consternation for Bjorkbacka, he did not discuss or refute one single point in the article. More than this was found in abuse. Sad.

Stalinists Expelled from SKDL

Helsinki TIEDONANTAJA in Finnish 11 Feb 86 pp 22-23

[Article by Risto Repo and Heikki Haapala: "When You Are No Longer A Candidate..."]

[Text] The SKDL is headed toward disintegration at a rapid rate, divided election alliances and the largest political defeat of its postwar history in the next parliamentary elections.

In the field, among the rank and file, and in circles of friends and supporters it is being asked whether anything can still be done to preserve a united election campaign. And if not, then what should be done?

Last Thursday, KANSAN AANI, a district publication of the SKDL appearing in Vaasa, declared on its front page: "It Has Come to This: Soderstrom Is Not A Candidate". In spite of the apt headline, the story does not attempt to sound the alarm on behalf of a united election campaign. To the contrary, its message is that in addition to the fact that nothing can be done, nothing must also be done.

"Not Acceptable for Even A Membership Vote"

The SKDL's Vaasa District Secretary Erkki Peltola, who was interviewed in the story, says that next September the district intends to conduct a membership vote on MP candidates for the parliamentary elections to be held in March 1987. Deviating from previous practice, not all the candidates proposed by the sections will make it as candidates for the membership vote, only those "who the district committee approves" for the membership vote. And to make even more certain, the district secretary declares: "Soderstrom will not even be accepted for the membership vote". "This line has now been chosen, and we will stick with it," adds Peltola.

Tennila, Stenius...

Sten Soderstrom is not the first of the incumbent MP's who will not be included in the SKDL's list of candidates according to the determination made by Arvo Aalto's faction.

A few weeks ago, the SKP's Lapland District Secretary Paavo Suosalo announced that Esko-Juhani Tennila will not be included in the SKDL's lists from Lapland.

30,000 Votes

Last week MP Marjatta Stenius was notified that her column will no longer be published in the People's Democratic HAMEEN YHTEISTYO. The new Chief Editor Pekka Lehtonen justified this decision to Stenius: "Since you will probably not be a SKDL candidate in the next parliamentary elections, there is no reason to publish your columns.

Sten Soderstrom received 6,809 votes in the 1983 parliamentary elections, Marjatta Stenius 7,727 votes, Esko-Juhani Tennila 14,995 votes. With these notifications alone the faction disrupting the Communist and People's Democratic movement has declared to nearly 30,000 voters that they are acceptable as SKDL voters only as long as they reject those MP's in whom they have already become accustomed to trust and who have acted in accordance with the united stand of the SKDL's parliamentary group in every single parliamentary session during this election period and have kept what they promised before the elections.

The measure is not limited to these three incumbent MP's, it will extend to at least 11. In addition to them, the lists will not include 10 chief shop stewards, representatives of culture and science, peace activists...

Thus it is not enough that the present leadership of the SKP and the SKDL want to change the SKP's and SKDL's membership. It wants to dissociate itself from the SKDL's constituency also.

The Famous Wager

These notifications sealing the disintegration of the SKDL's united election alliances do not come as a surprise. That manuscript which is being carried out in the disruption of the elections was written last year already even though it has from time to time been slightly revised with respect to tactics.

At a press conference held after the SKP's illegal extraordinary congress in March 1985 Arvo Aalto and General Secretary Esko Vainionpaa stated openly that the SKDL's election alliances will be dissolved in the next parliamentary elections.

Vainionpaa reaffirmed this in his now famous "vodka bottle" interview in KANSAN UUTISET's 18 May issue of VIIKKOLEHTI by stating that "he considered it a more probable alternative that the SKDL will enter the next elections without TIEDONANTAJA supporters (the name means all Communists and People's Democrats who have adopted a critical attitude toward the present party leadership). According to the interview, "a strict timetable" had already been nailed down, and the situation "would be clear" "in the spring of next year". At the conclusion of the interview he made a wager over a vodka bottle "that the TILDONANTAJA group will not have one MP in 1987 in the whole country". Thus the new general secretary of the SKP took a rather cheerful attitude toward the catastrophic decline of the number of SKDL's MP's, which two election alliances would mean just from the point of view of simple election mathematics.

Membership Purge

Divisive speeches continued as organizational actions immediately in the fall. In October eight of the SKP's district organizations were suspended from the SKP, after that, six of the SKDL's corresponding district organizations. The suspensions of individual members from party sections and party sections from districts were commenced, the suspensions of party sections from the party itself are being promised.

Finland's election law is in the background of this organizational game. According to it, a membership vote on candidates must be conducted in parties nominating candidates. So that not one single candidate who has taken a critical attitude toward the disintegration of the SKP and the whole People's Democratic movement would be nominated in the SKDL, they will be denied the right to nominate candidates as well as the right to participate in a membership vote on the candidates.

Multiple Verification

An attempt is being made to protect "pure lists" by several complementary purging procedures, which partially overlap one another:

1) Individuals are suspended from the party, the reason being, among other things, participation in actions to salvage the unity of the SKP.

2) Such sections which refuse to suspend individuals requested to be suspended are expelled from the districts. Thus these sections cannot fully participate in the nomination of candidates and a membership vote.

3) Out of a total of approximately 1,300 SKP sections about 500 are in the suspended districts (there are eight of them) and thus are not able to participate in the nomination of candidates any more than in a membership vote since they do not belong to the disruptive district organizations established in the areas of the eight districts.

4) Such SKDL district organizations which do not consent to engage in disruptive actions (Joensuu and Kyminlaakso) are being expelled.

5) Membership cards are being exchanged in the SKP, and the right to a membership vote is being granted only to those who are issued a new membership card. This is perhaps the greatest swindle in a long series of illegal actions since membership in the party cannot be taken away by taking away one's membership card.

6) The statement made by the SKDL's Vaasa district secretary and quoted in the beginning of this article demonstrates that if any dissidents should by chance be left in the SKDL's organizations after the purging actions already accomplished and to be accomplished in the future, the SKDL's district committees will prevent their proposals from being taken into account in a membership vote.

During this whole process, which began about a year ago, those who have demanded unity in the Communist and People's Democratic movement have attempted to stop the disruption and obtain guarantees for unified election alliances.

They were rejected at the SKDL's congress last May. They were rejected in October in the SKDL's Joint Council. The SKDL's Executive Committee, which met last in January, rejected the proposal made by the Committee of SKP Organizations for unified election preparations and election alliances. It refused even to negotiate the matter.

What To Do Now

The Committee of SKP Organizations, to which now already belongs a clear majority of the party organizations operating in the country, will next weekend deliberate those specific actions which the situation in the Communist and People's Democratic movement demands with respect to the unity of the Communist movement as well as the elections. Prior to this, it will perhaps be good to confirm the following circumstances:

1) The Paris Peace Treaty concluded after World War II guarantees to Communists also the equal right to participate in elections in Finland. We cannot tolerate a situation in which a faction which has seized the SKP's leadership with a paper membership could succeed in preventing the exercise of this right in our country.

2) The chief policy line recorded in the SKP's decisions jointly with the Communists is the building of a democratic front against big capital and the right wing in Finland. The expansion and reinforcement of such a front is more timely than ever before in postwar Finland; it has never been threatened as it is being threatened now at the same time that the opportunities for its expansion would otherwise be rapidly increasing. Thus we cannot allow a situation to prevail in which this chief policy line is not "temporarily" carried out, but the involvement is with something else regardless of how difficult its accomplishment is being made, in this case by the actions of Aalto's faction.

3) It is a complete waste of time to expect that the situation will be reevaluated in the SKP's and SKDL's leadership in the present situation and that the initiative will be taken to form unified election alliances. Therefore, preparations for the elections must be commenced now already from the foundation set by the SKP's chief policy line. We must begin the deliberation of political questions in the elections, the nomination of candidates, the greatest possible visible and extensive election campaign, the collection of money, the building of an election organization. The more effective the work on behalf of this, the stronger the pressure will be on those who are now directing their efforts toward disrupting the elections and not working constructively.

An Example in Oulu: SKDL Would Lose Two Representatives

The SKDL suffered a bad election defeat in the province of Oulu in the last parliamentary elections. One seat in parliament out of five previous seats was lost and another came close to being lost since the SKDL received the last MP spot.

In the 1983 parliamentary elections the SKDL received 50,821 votes in the election district of Oulu. It obtained four MP's with this number. If the number of votes had been 2,200 less, only three parliamentary seats would have been won.

The declining support for the SKDL since the last parliamentary elections in the district of Oulu means that the number of votes will drop to approximately

41,000. Thus the third parliamentary seat is beginning to be threatened since nearly 40,000 votes are needed to guarantee it.

If the SKDL's election alliances are disbanded in accordance with the Aalto-Vainionpaa plan, it appears certain that the SKDL will lose even another parliamentary seat in the election district of Oulu.

While the SKDL has traditionally had five MP's from the province of Oulu, the number is threatening to fall to two as a consequence of two successive election defeats.

The SKP/SKDL leadership has already inflicted serious damage to the election campaign with its loose policy and disruption of the election alliances and organizations. Only an immediate turnaround to united action can mitigate an otherwise threatening election defeat.

The Unification Committee of Communists in the SKP's Oulu District Organization decided at its meeting on 2 February 1986 to appeal to the People's Democratic district organizations for the building of a unified election alliance. The election alliance is to be free of all discrimination. It will direct its efforts toward the struggle against big capital and right-wing trends on behalf of the interests of the working people.

10576
CSO: 3617/76

BRIEFS

DEFENSE MINISTER TO QUIT PARLIAMENT--Vaasa--Defense Minister Veikko Pihlajamaki (64, Center Party) will not be a candidate for Parliament in the next elections. Pihlajamaki announced his decision to quit in an interview published in the newspaper ILKKA on Thursday. Pihlajamaki said he was leaving politics a satisfied man. The decision to abandon parliamentary work was made right after the last elections, according to Pihlajamaki. He deliberately wanted to postpone announcement of his decision as long as possible so that he would not be included among those who have become disillusioned with parliamentary work. Pihlajamaki says he is content with the way the Finnish Parliament operates. The reasons for Pihlajamaki's withdrawal are completely personal. He has behind him 14 years as a parliamentary representative, and he has served as defense minister since the year 1983. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 14 Mar 86 p 13] 12327

CSO: 3617/85

POLITICAL GREECE

COLUMNIST ASSESSES PASOK'S 'CONTRADICTIONS'

Athens ENA in Greek 6 Mar 86 p 13

/From the "Against the Current" column: "Cronos and His Children"/

/Text/ Yet another top-ranking PASOK official, Gerasimos Arsenis, "has been placed outside of the Movement." Many others have already been promoted so that this ousting will not result in any claims for being original. Until a few months ago Mr Arsenis was the uncontested and all-powerful lord of the economy. Today, not only is he outside of the government but even out of the party itself. Once again Cronos has devoured yet another of his children because, in the long run, PASOK is truly being proven to be Cronos.

At first glance, Mr Arsenis' ousting was a surprise. In reality, however, it was an expected event. And, of course, a follow-up to this event cannot be ruled out. A follow-up that constitutes a logical end to PASOK's makeup. Because, in the long run, Mr Andreas Papandreou's party is the most contradictory element that contemporary Greek political history has ever known. It is these contraditions --both internal and external--that result in sudden promotions or the most sudden downgradings of its cadres. It is exactly these contradictions that make PASOK a Cronos that devours its children.

PASOK's first contradiction is to be found in its own popular grass roots. All social classes vote for PASOK. Farmers vote for it and so do urban dwellers. Blue collar workers vote for it and so do white collar workers and also professionals. In essence, it has succeeded in what Mr Laskaris had at one time maintained about the abolition of the class struggle because, in fact, never before in post-war Greek history had any party succeeded in acquiring such diverse popular grass roots.

The second major contradiction is to be found in its cadres. Many of them realized they had vast political power in their hands without at the same time having the necessary underpinnings, the necessary experience and the necessary background. In essence, PASOK came about through a political parthenogenesis in 1974 when Mr Andreas Papandreou returned to Greece. And, of course, the present prime minister has since then transformed the party's leadership cell to his own personal criteria. Thus, many of those who now exercise power owe their strength more to Mr Papandreou's personal favor and less to their own political background. Of course, it is for that reason that "they fall" when they lose that favor.

The third major contradiction is PASOK's very nature. Since it is exactly a true multifaceted party it cannot speak in one voice. It has to address the rising middle classes in one different form of voice and the radicalized masses that are captivated by slogans about independence, national sovereignty, etc., in another form of voice. PASOK has to speak differently to the small and average-sized business people and again differently to farmers. From its very nature, PASOK is obliged to hold on to both rightist and leftist cantors. However, quite often, when the political game situation changes, it forces its leftist cantors to chant rightist hymns and vice versa. Then, of course, some of these people "place themselves outside of the Movement," either on their own initiative or on Mr Pagoropoulos' initiative.

The fourth very important contradiction is PASOK's position on the present political map. PASOK is the party that dominates in the so-called "democratic progressive area," an area that until 1981 was fluid and vague since it encompassed the political arena that began with the leftist fringes of New Democracy and extended up to the communist Left area. Today, however, its scope is clear. PASOK has spread out toward the Right and Left but it has isolated the communists from the political game. In other words, PASOK is the party that expresses the so-called "progressive area," at the same time, however, being the breakwater to the communist Left. As long as PASOK exists, any repetition of a political phenomenon such as the one in 1958 when the communist Left had won in the elections and had become the major opposition is ruled out. In other words, PASOK is a progressive political phenomenon since it often formulates advanced positions but at the same time it is conservative since it precludes upsetting the present arrangement of things.

In truth, all of these contradictions are so many as to rule out all forms of shocks. Indeed, they provoke them. Yesterday, K. Laliotis departed and now G. Arsenis is leaving. Tomorrow, somebody else will leave. This is the nature of things. Surprise would have been just the opposite. If, that is, Cronos did not devour his children.

5671
CSO: 3521/109

POLITICAL GREECE

REJECTION OF PASOK COOPERATION PROPOSAL TO LEFT 'PROPER'

Athens I KATHIMERINI in Greek 13 Mar 86 p 5

[Editorial: "The Only 'Aid' Which is Justified"]

[Excerpts] If one excludes the directed enthusiasm of the pro-government press about the merit of the "call to assistance" Papandreou directed to the opposition parties, no one else in our "transformed" country perceived the merit or took seriously the prime minister's initiative. It was, therefore, very natural for the parties' leaderships, to whom the "call" was directed, to reject it, thus protecting, if nothing else, the public's estimation of their seriousness.

From whatever side an effort might be made to analyze Papandreou's proposal, it is impossible to not point out the elements which support its rejection, and impose the categorical refusal of every responsible party to accept that it is possible for "saving" developments--in the economic or any other sector--to be set off by its acceptance.

The timing of the prime mimister's call is, perhaps , the most significant element for exposing it as a simple propagandistic "effect," planned to provoke, yet another time, confusion among adherents of the parties of the Left.

After Papandreou, during the first four years of his power, devoted himself to shattering the productive mechanism, which was in the hands of the most developed private capital, and to ripping the "Right" from the state, he began, immediately after his second electoral victory, to search for ways to repair the damage caused by the government and party practice up to that time. A main characteristic of this "search" was abandonment of the socialistic formula for dealing with the problems which came up and, at the same time, defenestration by the government and party of those who ascertained the total discord between the new policy and the formula in question. The prime minister's unfeigned opposition to the communist parties was an unavoidable consequence of this "change in the course of change"!

Now Papandreou, calling the "traditional" people to confer with him for the "surest road to socialism," is creating--and, of course, leaving unanswered--a critical question: If he really is sticking to the socialist reformation, then why did he throw out of the party those who are perservering in this? And, because they perservere, accuse them of being...puppets of the communist parties? How is it possible to call on the leaderships of the communist parties to develop for him their opinions on the surest road to "change" when these opinions condemn them as a "deliberate impediment" to the success of his policy for "stabilizing" the economy?

The doubt also has a second limb: If the prime minister is sticking to socialization of the Greek society and economy, if with his "call" he is letting it be understood that only from a socialist reasoning can come the recovery, restoring, restructuring and development of the economy, then what is he seeking from private capital, local and foreign? To bring its capital here, to invest it, so PASOK can nationalize it and then socialize it?

All such things are fickle and incomprehensible, and they suffice to prove naive anyone, from the liberal political world at least, who believes it is possible to offer Papandreou help in dealing with the crisis!

9247
CSO: 3521/98

GREEK SOCIETY SEEN SHAKEN BY DEEP CHANGES

Athens ENA in Greek 13 Mar 86 p 13

/From the "Against the Current" column: "Forward or Backward"/

/Text/ Some very deep changes have been taking place in Greek society over the past few years. Changes for the better but also changes for the worse. Changes that are usually occuring at such a rapid rate that it is often difficult not only to assimilate them but simply to keep track of them.

The Greek coutryside is changing. The rural population is today living altogether differently from that in the recent past. Incomes have risen impressively, consumerism has invaded every last town and economic relations have changed. Anyone who travels through Greek provinces today will see things that are different from what he knew and will also meet different people.

Urban centers are changing. Here, contrary to the rural areas, incomes are decreasing. The people here are inactive and follow developments like unparticipating spectators. There are no new political or cultural currents and everywhere, on all levels, a general depression is observed. Everybody seems to be waiting for something to happen but it does not happen. No one becomes mobilized over anything or anyone.

The state is changing its relationships with the citizen. The patron-client system on which the Greek state operated since its inception is being fragmented, leaving a big void since a new connection that would replace it has yet to be found.

Bureaucracy is changing. The inaccessible civil servant of the past, always well-dressed and always expressing the national ideals, is gradually giving way to the slovenly and often bearded representative of the state who speaks a completely different kind of language than his predecessors.

Thus, we now have to do with a new society. It is no longer the society that took to the mountains during the occupation. It is no longer the society that waged the great battles for the democratization of this country. It is no longer the society that took to the streets in 1965 to defend what it believed in. It is no longer the society that refused to come to terms with the dictatorship. Nor is it the society that fought until 1981 for what has been called "Change."

It is a new society. It is a society that now does not react to anything that is happening. It is a society that no longer produces either politically, economically or culturally. It is a society that constitutes the passive receiver of anything that is sent from various directions. It is a society that consumes products and byproducts offered it without any reaction. It is a society that becomes pregnant without, however, being able to give birth.

All of the above facts are not unusual. They stem from the fact that tremendous social changes are occuring at this time. With the vehemence that distinguishes every newly-arrived event, the petty bourgeois classes themselves are now rising to put their stamp on the form of the social whole. Other social strata that traditionally constituted the ruling class are retreating or are attempting to change with the least cost to themselves. The changes that are in progress are major ones. And since they are moving along at a rapid rate the feeling is often created that the existing social web is breaking apart and that a big void is being formed. The old is departing while there is fear of the new or of its inability of filling the void left empty by the preexisting order of things.

Are all of the above for the good or bad? No one can make predictions because events are in the process of development and have not yet shaped their own definitive look. In the long run, only after the passage of some years will we learn what happened during these days that we are now going through. Only when the history of this era is written with some distance between the events that have evolved will we be able to appraise what we did or did not do. If we moved forward or backward.

5671
CSO: 3521/109

KYP REPORTEDLY SUFFERS DIFFICULTIES IN RECRUITING

Athens PONDIKI in Greek 14 Feb 86 p 17

[Excerpts] Great joy lately in KYP [Central Intelligence Service]: The old "mess-tins" are getting new "youngsters," the 110 employees engaged by the service. They are being recruited to fill the "empty organic positions" created by the pensioning of an approximately equal number of civil employees.

As concerns the hiring of the 110 employees, it became known that there was a problem since the candidates who applied were not satisfactory from the standpoint of qualifications. The lack of candidates with qualifications, particularly for analysts' positions, forced the service's heads to "open up" the procedures.

According to information, it was decided to invite and sound out candidates who had failed in the Ministry of Foreign Affairs' examinations for diplomatic employees!

PONDIKI's information reports that some 25 such candidates were invited and it was suggested that they submit supporting documents, but, despite all our efforts, we did not learn what happened.

In the meantime, the two existing associations in KYP are being organized.

1. The Association of Professional Personnel [SEP], composed of alumni of graduate schools, is looking for offices for housing. At the same time, it is preparing itself to be a factor for intervention in the affairs of the service, which is coiffed with military people and has no thought of being demilitarized, contrary to the wishes of even Papandreou himself. Until this happens, however, SEP is "dancing." How? It is giving a banquet at a taverna in Agia Paraskevi on Sunday, 16 February, wihtout Alexakides and the others.

2. The second association of KYP employees is furiously trying to see Papandreou and present to him the problems they are having. This association had a general meeting day before yesterday, but unfortunately we did not learn what the members decided concerning the threats their administration has launched about a strike in KYP and other such things.

9247
CSO: 3521/92

REDUCED PRESIDENTIAL POWERS SEEN MINIMIZING SOARES DANGER

Lisbon O DIABO in Portuguese 4 Feb 86 p 17

[Commentary by Fernando Braga de Matos]

[Text] In making my first appearance as a contributor to O DIABO, I decided to resist the temptation to analyze and give my opinion on the first round of the presidential elections or to engage in futurology as regards the second round. Others have launched into laborious studies on that topic and have surely exhausted it from all angles.

So I decided instead to reiterate an opinion that I have been expressing for a long time and which--inexplicably in my opinion--has aroused more reservations than support among my occasional listeners. Here goes:

I do not believe that these presidential elections will, in strategic terms, define the future of the nation. Although they are important, they will turn out to be merely a short step on a long road that we have yet to travel.

I had already minimized the importance of this election prior to the first round. But it is in thinking of 16 February that I do so now. It is not that I do not care whether Soares or Freitas wins--God help me! The fact is, however, that the limited powers given the president under the Constitution will block not only the drive toward progress but also the inevitable descent to hell.

So I never really understood the excessive distress expressed by the electorate on the Right, which first feared Pintasilgo, then Zenha, and now Soares. The Left is paranoid, no doubt, but that neither excuses nor diminishes the seriousness of the lack of serenity displayed by the Right.

The point is that the real power lies with the government. It is the fact that, in supporting private initiative, this sovereign body appears determined, effective, and backed by the majority that will constitute the strategic platform on the basis of which we will escape the institutional crisis in which we are immersed.

What I am saying is: the important thing is not so much that the right prime minister (like the one we have, for example) manages to function, for better or for worse, with whatever president is in office. What is essential is that, with or without him, we achieve--in elections necessarily held ahead of schedule--the PSD-CDS majority that constitutes the natural and indispensable alliance for progress.

Consequently, what comes out of this second round will be merely an inventory of advantages and disadvantages, definitely not a game of life and death on whose outcome the country absolutely depends.

And a good thing too, because it would be absurd for us to tumble from a summit without ever catching a glimpse, from out of the mediocrity of everyday politics, of the tragic dimension of the national destiny.

Freitas, of course. But let's be calm about it!

12830/9312
CSO: 3542/68

ARTICLE ASSESSES IMPLICATIONS OF SOARES VICTORY

Lisbon O DIABO in Portuguese 18 Feb 86 p 2

[Article by Jose Miguel Judice]

[Text] 1. The victory achieved by Soares was above all one of fear created artificially through a campaign which was technically effective but ethically reprehensible. The campaign was intended to capture the entire Communist vote and that of the extreme Left and it was highly successful. The victory achieved by Freitas was not destined to signify what MASP had insinuated. The democratic Left is going to find the latter victory costly; but perhaps there was no other way.

2. Moreover, the Soares victory is a noteworthy personal achievement by a politician who is reappearing from ashes and defeats with an impressive capacity for recuperation. Not even his most loyal supporters believed that he would get a second chance and subsequently surpass Freitas do Amaral the second time around. Just to give an example (in addition to the tactful absence of Vitor Constancio), prior to the first round Jaime Gama held a press conference with DIARIO DE NOTICIAS which was a premature funeral oration. Mario Soares will surely not forget this.

3. The result obtained by Freitas do Amaral is spectacular, a great political success personally. And contrary to what yesterday's turncoats now want to insinuate, that result proves the correctness of the strategy involved--namely, that from May 1985 on he was the only candidate who had any real probability of winning without the support of the Left. This is the best result ever achieved by nonsocialist forces and would seem to indicate an overwhelming majority of mandates in legislative elections. It also indicates that within 1 or 2 years the Left will not be the majority party no matter what candidate represents it.

4. Freitas do Amaral could have won the election the first time if those who voted for Soares, those who abstained and the moderate voters who voted for Zenha and now Freitas had voted for Freitas immediately. In the country as a whole Freitas do Amaral picked up an average of 10 percent more votes since 26 January, obtaining 300,000 more votes. His electoral problem could be stated as follows: whereas in Lisbon and Setubal only he showed an increase of more than 3 percentage points (3.35 and 3.89 respectively), if he had

shown a similar increase throughout the country from the first to the second round, he would have won. But it was not the rain or storms which defeated him inasmuch as the voting phenomenon was consistent in the country as a whole.

5. Freitas do Amaral's campaign itself constitutes a political victory and exceptional planning for the future. Half of the Portuguese people (not including the emigrants) ended up with a strongly optimistic outlook toward the future--not one of revenge or trauma. Half of the Portuguese were defeated but were not discouraged: the ovation given to Freitas do Amaral after the defeat is homage to a promise. Proenca de Carvalho was a victor.

6. Despite Freitas do Amaral's defeat, Cavaco Silva ends up being greatly strengthened politically. This is partly because there were no defections in the PSD; only a few leaders withdrew to the sidelines and the next Congress will undoubtedly categorize them as "former" leaders. It is also because the dynamics of the support for Freitas do Amaral were concentrated particularly in the PSD: electorally the PSD now accounts for much more than the 30 percent it obtained on 6 October. From a strictly party viewpoint, Cavaco Silva did well to support Freitas do Amaral, for no other candidate would assure him such an increase.

7. Although Mario Soares' victory was achieved with a margin of only about 150,000 out of 6 million votes, this election is an indication of an important political change in Portugal. In fact, the results reveal that in 1986 the Left has only a slight majority, having for the second time elected the most "rightist" of its leaders: in all probability Freitas do Amaral would have defeated Salgado Silva at once, for in that case many of Soares' staunch supporters (beginning with his national chairman) would have supported Freitas do Amaral. In 1975 Soares was the leader of half of the country and, in addition, enjoyed the support of a bloc led by the Communists. In 1986 Mario Soares is the leader of the country's leftist half.

8. As shocking as it may seem to some voters, it is politically preferable for the future to lose with about 49 percent against Mario Soares than to win at the price of having elected a candidate backed by General Eanes and one to whom the PCP has remained neutral. On the one hand, this is because the defeated bloc is by far the country's strongest (despite being the victor, Soares musters only 30 percent of the vote on 17 February) and is in position to influence the future over the medium term. On the other hand, it is because it is better for Mario Soares to win as leader of the Left than for "Eanism" to have been perpetuated through the imposition of (another) military man. And it was particularly essential for the future of the Portuguese political-party system for Soares not to win with the votes of the PSD as he had dreamed of doing during the central bloc regime, for in that case the PCP would have had another candidate to lead the Left.

9. The PCP did not support Mario Soares gratuitously and it was known that it earnestly wanted Soares to win. It now began to back the "leftist majority" as Cunhal clearly stated ont he eve of the election. But what the PCP is especially siding in with is the cessation of Cavaco Silva's reform

measures and in that respect it made an excellent investment. It stuck close to the winner and definitely contributed to his victory; and the Communist votes were necessary. But generally speaking, this election represents a total defeat for Cunhal and, if the democratic Left is intelligent, it can mean the beginning of the PCP's historic decline in Portugal.

10. Lastly, the passage of two candidates of the "constitutional arc" to the second time around and each with the definite support of one of the two major Portuguese parties creates excellent conditions for a qualitative step forward in Portugal's political development: between the bloc led by the PS and that led by the PSD it is possible to establish a consensus for the constitutional revision which would profit by beginning to be tranquilly prepared. And it is possible that political bipolarization would be established between two blocs led by democratic parties whereby political alternation could be achieved in Portugal.

I worked hard for Freitas do Amaral's victory. As PSD's district representative in Lisbon, I take comfort in being able to state that Lisbon performed its duty on both the first and second occasions. Regardless of the outcome, I cannot refrain from asserting that Soares' victory is not a catastrophe for the country. It is a procrastination and source of difficulty. But anything is still possible if the 49 percent of those defeated will unite in support of the government. That is my final vow. The vow of 17 February.

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ELECTORAL DISTRIBUTION OF PRESIDENTIAL ELECTIONS

Lisbon O JORNAL in Portuguese 21 Feb 86 p 26

[Text] According to the results of the survey made by Pluriteste, Mario Soares, the new president of the republic, was elected by a broad spectrum of citizens from all parties having parliamentary representation. The same cannot be said of Freitas do Amaral, the defeated candidate, who received no votes from the APU constituency.

In terms of party discipline, the survey shows that the voters who most closely adhered to the guidelines of the political organizations which they supported in the legislative election of 6 October were the Socialists: 95 percent of the voters in the PS supported Mario Soares. Then came the CDS (94 percent for Freitas), the APU and PRD (92 percent and 91 percent respectively, both for Soares) and, lastly, the PSD (only 88 percent respected the directive to vote for Freitas).

As for the largest number of "turncoats"--those who voted for the candidate opposed by their respective party--the figures, in decreasing order, were as follows: in the PSD (8 percent), the CDS (6 percent) and the PS (4 percent). In addition, according to the survey, the greatest number of voters who abstained were members of the APU (8 percent of the pro-Communist voters stayed home) and members of the PRD (4 percent). However, all Democratic-Christian voters showed up at the polls and only 1 percent of the Social Democrats failed to appear.

In terms of age groups, Mario Soares defeated his opponent in the group 25 to 44 years of age; meanwhile, the former Centrist leader met with more favorable response among the youth and elderly.

Mario Soares obtained more votes among the women, the reverse being true with respect to Freitas; however, Freitas received a few more votes from the male constituency.

Electoral Distribution of Presidential Election (2d Time)

(According to the vote of the legislative election of 6 October 1985)

(Figures Represent Percentages)

	Total	APU	CDS	PRD	PS	PSD	Others	Refusals	Did Not Vote
Freitas do Amaral	36	-	94	2	4	88	20	6	10
Mario Soares	51	92	6	91	95	8	40	37	19
Did not vote	7	8	-	4	1	1	20	51	-
No response	6	-	-	2	-	3	20	6	71
Total	100	100	100	100	100	100	100	100	100

Source: Pluriteste/O JORNAL Survey, February 1986

Technical Note

This Pluriteste/O JORNAL survey was made among the current population of Greater Lisbon. The sample is made up from 400 personal and direct interviews. The distribution by sex was the following: 55 percent women and 45 percent men. The age groups of the individuals contacted were: 24 percent between 18 and 24 years of age; 29 percent between 25 and 34; 21 percent between 35 and 44; and 26 percent more than 45 years of age. The distribution of those polled in accordance with the vote in the legislative election of 6 October 1985 was the following: PSD--29.5 percent; PS--22.8 percent; APU--12 percent; PRD--11.3 percent; and CDS--8 percent. With regard to the second round of the presidential election, the choice of those polled was the following: 36.3 percent for Freitas do Amaral and 51 percent for Mario Soares. The degree of confidence of the poll is 95 percent and the margin of error is 5 percent.

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OVERVIEW OF LOSERS, WINNERS IN PRESIDENTIAL ELECTIONS

Lisbon EXPRESSO in Portuguese 22 Feb 86 p 3

[Commentary by Jose Antonio Saraiva: "Politics Portuguese-Style"]

[Text] In analyzing the two-round presidential election, we can state that there were two big winners and three major losers. The winners were Mario Soares and Diogo Freitas do Amaral, the candidates who virtually divided the votes between them. The losers were Ramalho Eanes, the outgoing president of the Republic, Cavaco Silva, the acting prime minister, and the Portuguese Communist Party. It is important to talk about all of these during our final overview because in discussing them we are dealing with the most important events of the recent presidential elections.

The Winners

Mario Soares

Mario Soares is a victor today because he won. Starting out with an index of popularity (his own and that of his party) that was lower than ever, Soares had enough faith, energy, and fighting spirit to take votes by force until he exceeded the 50 percent needed for victory. Now this constitutes a remarkable personal success. One might even say that there is no other politician in Portugal capable of accomplishing a feat of this sort.

But it would be dangerous to exaggerate the importance of this victory. Because, to a certain extent. it was a victory for the negative. Many who voted for Mario Soares were only interested in defeating Freitas do Amaral. It is, therefore, misleading to say that the Left gathered around Soares--in fact, the Left united itself against Freitas do Amaral, which is a little different.

From that standpoint, the Socialist leader represented the highest common denominator against the candidate supported by the PSD and CDS. And if this is anything at all, it is not the sort of thing to arouse great enthusiasm, inasmuch as it is always easier to collect refusals than to garner expressions of support.

Furthermore, to achieve this objective--i.e., to unite the entire Left behind himself--the former PS secretary-general found himself forced to resurrect some outdated phrases and use all the commonplaces of antifascist rhetoric, haunting his adversary with ghosts from the past. But this sort of language, although it may have been useful to him lately, has been condemned by history.

The right has already perceived what is of essential importance in that regard and is trying hard to give speeches that radiate competence, pragmatism, and effectiveness. In resorting to arguments that are predominantly ideological in nature, Mario Soares conveyed the impression that the Left has aged somewhat and has difficulty facing specific problems in a concrete manner. For this reason too, Soares' victory, although brilliant, was only a semi-victory.

Freitas do Amaral

Freitas do Amaral can consider himself a winner today too, because he succeeded in making himself the principal point of reference of these elections.

Actually, not only can he claim those votes that he won, but he can also say that many of the votes his opponent won were votes against him. In this regard, it can be said that 70 or 75 percent of the voters took Freitas do Amaral as their point of reference--either positively or negatively.

Furthermore, Freitas was what could be called a "platform candidate". His candidacy was a political platform--in contrast with the candidacy of his opponent, who managed to gather together different or even antagonistic political factions. The former leader of the CDS knew how to give substance to that platform and how to surround himself with staff who mounted the best-structured electoral campaign ever conducted in Portugal.

Master of coherent speech and clear expression (although too professorial at times), Freitas do Amaral was able to rally almost 49 percent of the Portuguese to his side--which means that if his political proposals had been made during a legislative, rather than a presidential, election campaign he would now have a clear and commanding majority in Parliament.

Freitas replanted the seeds of the platform promoted by Francisco Sa Carneiro in 1979--and did so in no uncertain terms. That is why, even though he lost the election, he emerged as one of the great figures in Portuguese politics--surrounded with a personal prestige that means it is inevitable that we will be talking about him again in the not-too-distant future. Freitas do Amaral demonstrated that he is the one in the best position to bring about a union of the families on the Portuguese right.

The Losers

Ramalho Eanes

Having every reason to have left Belem by the front door, Ramalho Eanes ended up leaving--almost in shame--by the back door. In the final phase of his term of office he accumulated a lot of mistakes and chalked up only rebuffs. He let a party use his name when (as we found out) that party was not yet ready to face the coming big political battles. Later he got involved in supporting a candidate who was in a poor position to win.

Finally, he saw himself succeeded as president by one who had become one of his chief adversaries and was the last man he would have wanted to see in Belem. The fact is that Soares' victory cannot be considered as anything but a defeat for Eanes. Now the future will reveal the general's ability to face adversity--he, who was especially accustomed to win and to work under favorable conditions.

For now, nothing is certain in the life of Ramalho Eanes. His political clout has been considerably reduced. The party he backed, which ought to have served as support for his political activity after leaving the presidency, has almost disappeared.

Cavaco Silva

Having gotten himself excessively involved in the Freitas do Amaral campaign--excessively even in the opinion of some of his supporters--Cavaco Silva appears to be one of the chief losers in this election. His defeat is even more significant because it is his first defeat after four consecutive victories.

Cavaco wanted to see Freitas do Amaral as president of the republic but couldn't pull it off. Now he is doomed to be prime minister under a president against whom he fought during the electoral campaign.

His disillusionment was obvious, moreover, during his televised statement Sunday night. It was the most disappointing of all his TV appearances. Cavaco Silva has experienced a defeat, and given his psychological makeup, that could seriously upset him.

The PSD leader had two possible strategies to chose from in this election: one, to scare his electorate concerning the possibility of a Soares victory; the other to assume the role of prime minister, discretely supporting Freitas do Amaral and leaving him the job of explaining to the nation the advantaged of electing a president dedicated sincerely to supporting the government.

If he were to choose the second option, Cavaco would be risking less--but would not be able to pick up all the laurels. In choosing the former, Cavaco would be risking more--but for that very reason, would have to assume a clearer responsibility for a defeat.

That is how it turned out. Cavaco Silva bet heavily and lost. The problem that the defeat is not his alone. Having stated during the campaign that the situation would be very serious for the government if Freitas do Amaral were not elected, the prime minister set up the conditions under which the Portuguese Right lives today--a state of great anxiety.

We ask ourselves if it wouldn't have been better for his own strategy if Cavaco Silva, although supporting Freitas, had told his voters that he could govern no matter which candidate was elected and that the changes he initiated would not be in danger whatever the results of the election.

The truth is that if he had taken that position, no one would have been in doubt as to Cavaco's preference for Freitas do Amaral--and it would not be a factor that would steal a lot of votes from his candidate. In compensation, the Right would be much calmer today than it is. And the government's position would be much stronger.

The Portuguese Communist Party

Although it did attend the victory celebration, the Portuguese Communist Party was the third big loser in the presidential election. First, because General Eanes was defeated--and the Communists had seen in Eanes a potential and important future ally.

Second, because the PRD came out of the process in bad shape and the PRD is the dreamed-of bridge between the PCP and the political system. Then, because Salgado Zenha--its candidate in the first round--didn't even make it to the second.

Lastly, because the party was placed in the extremely unfortunate position of having to choose between Mario Soares and Freitas do Amaral. The anguish of that choice, by the way, was very apparent on the faces of some of the militants interviewed on television during the campaign.

Faced with this dilemma, the Communist Party found itself constrained to urge that people vote for the man who has been its leading strategic enemy: Mario Soares.

Actually, before the electoral process got underway, a Soares victory was the last thing the PCP wanted to see happen. However, not only did the party see it happen, but it found itself forced to cooperate in that victory in order that it would not have to say the next morning that it had been responsible for the election of Freitas do Amaral.

But deep down, the Communists wanted Soares not to win. That is, they wanted Soares to lose without being able to even suggest that the PCP had contributed--by its abstention--to the victory of the candidate of the Right.

Since the Socialist leader had always refused to form a coalition government with the Communist Party, since he had led the fight for the revolution in 1975, his positions ought to have been exemplarily defeated in this election. But precisely the opposite happened.

Soares appeared to be the only figure on the Left who was capable of beating Freitas do Amaral. Now this represents a victory for Soares' ideas--and, conversely, a defeat for the theories that the PCP has been defending since 1974 in its repeated arguments that because of his strategy of forming alliances with the right, Mario Soares was inexorably doomed to failure.

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LOOKING AHEAD TO PSD VICTORY IN 1991 PRESIDENTIAL ELECTION

Lisbon SEMANARIO in Portuguese 22 Feb 86 p 6

[Article by Marcelo Rebelo de Sousa]

[Text] I. The Political Initiative Will Be Ours

All it would have taken for Freitas do Amaral to be president was for 150,000 Portuguese to vote for him instead of for Mario Soares. That is even less than the number of voters who voted for the UDP in last October's elections.

This means that the void opened up by the Democratic Alliance in 1980 has widened and become deeper and that the challenge has been issued for 1991--the campaign has already begun.

Actually, this should surprise no one--much less Mario Soares, who in 1980 accelerated his march toward Belem. This time the initiative will be ours.

II. The 25 Percent President

Until then, the Portuguese will have a president who enjoys undeniable legal and constitutional legitimacy and, as such, a real political base made up of 25.5 percent of the voters. The remaining 26 percent (the overwhelming majority of which consists of the communist electorate) voted against Freitas do Amaral. It is a political base that is precarious, weak, and disturbingly fragile.

We recall that in 1980, right away in the first round, Gen Ramalho Eanes had a much more solid and visible real political base. Even so, he went through some difficult periods during his second term of office.

Mario Soares will not have an easy time of it. Out of every four Portuguese, only one wanted him as president, one tolerated him (sharply criticizing him for years without hesitation), and two rejected him.

III. Alvaro Cunhal Won

When Mario Soares was elected president of Portugal (thereby realizing a dream that had obsessed him for the past 5 years), he owed the victory to one man--Alvaro Cunhal. With the same degree of calm and undisputed authority that he used in appealing for votes for Francisco Salgado Zenha, Cunhal urged voters to vote for Mario Soares.

The Communist electorate obeyed--solid, irresistible, supreme. A million voters did their duty. If only some of them had failed to show up, Soares might have been defeated. Once again Dr Cunhal, the victor, shows that even now, when he is past the age of 70, he is still a big man in Portuguese politics. A big man to whom Soares owes the long-awaited realization of his dream.

IV. Three Blocs and the Democratic Left in the Minority

In other words, there are three political blocs in Portugal today. By far the largest (with almost 49 percent) was given substance during this election by Diogo Freitas do Amaral and Anibal Cavaco Silva.

The other two are the Communists (and their relatives), and what Soares nicknamed the "democratic Left". Now the latter only attained numerical supremacy by borrowing votes from the Communist bloc. So it is clearly a minority party in Portugal.

V. The "Central Bloc" Maneuver

Besides, in terms of being able to govern, the democratic Left cannot or does not want to come to an understanding with the Communist bloc. Only the bloc holding the current 48.7 percent can govern Portugal as a majority.

What is the strategy of the so-called democratic Left? To divide the bloc that has majority potential, to drag it into the quagmire that is the concept of the "central bloc," and, especially, to lure away the PSD or part of it.

The real objective is to enable the PS to gain the governmental leadership which it would otherwise not obtain and to begin, right now, to work towards a second term in Belem for Mr Soares.

This "central bloc" tactic is clearly a smoke screen to win a leadership role for the PS that would otherwise be much more difficult to obtain. A genuine solution would involve a far-reaching reform of the Left so that the democratic Left, by itself and without using the PCP as a crutch, could ensure itself an opportunity to govern in rotation with the 48.7 percent bloc.

But that would take a lot of work. It would force the democratic Left to be leftist at times other than during election years when it is important to attract the PCP vote and not to be a constituency ensconced in the apparatus of the State. Unsure what to do, it has preferred the most comfortable option--the "central bloc"--to the seat of power.

VI. Antifacist Rhetoric--The Last Time

During elections the democratic Left uses antifacist language as a basis for the appeal to the Communist electorate. This election was no exception; in fact, Soares went further then Gen Eanes went in 1908. However, this was the last time that this linguistic tool could be used to camouflage intrinsic weaknesses.

Five years from now, democracy will be 17 years old and Portugal will be at the end of the transition period as regards certain matters related to the treaty of accession to the EEC. To talk about fascism to a young person 23 or 24 years old would be to evoke a political vacuum. To do so with an 18-year-old voter would be to attempt the impossible. It would be just like waging an antifascist campaign in France or Italy in 1962--you would be laughed at.

VII. 48.7 Percent Fascists and Their Sympathizers

Besides, even today an irrepressible smile forms when we hear Dr. Cunhal talk about victory against reaction and winning over the fascists and their sympathizers--which, as it happens, easily describes half of all Portuguese.

One of every two ordinary citizens is probably fascist, which shows that the political rhetoric has gotten old, has spent itself, is unsuited to reality. It has been useful thus far for lack of anything better; it would not have caught on in any institutionalized European democracy; and 5 years from now it will be as obsolete as the memory of the MFA as a constitutional reality is now.

VIII. Youth--More Than A Fad

Five years will also enable us to expand toward change that was personified by the youth in this election campaign. It was more than the passing fashion that it was in 1980 (despite the fact that the politics that accompanied that trend in 1980--not having thought it a fad at the time--has now irrevocably chosen to position itself against it.)

The youth movement was a sign of fatigue, of protest, and of the hope of a turnaround after many years of degradation in the academic, professional, and social life of Portuguese youth and in their living conditions. What tells us that the movement will continue in the same direction? The answer is simple--the election of Mario Soares.

If the overall political direction and the response thereto changes substantially then, logically, the course and the content of the trend would change. But if the essential aspects of the symbolism and past practice are maintained (and Soares with his three governments is its best symbol) then the direction of the youth movement will not change.

As Mario Mesquita stated in his eloquent editorial on the presidential elections (and how many times have we disagreed with him?), there will not be enough "common people" to contain this youth movement if the victors of today continue to rack up mistakes and incidents of incompetence and inability.

IX. 1991 Begins With Support for Cavaco Silva

1991 has already begun. And it began with the demand to close ranks around Cavaco Silva and his administration. The 48.7 percent obtained showed that the platform was the right one and the candidate--Diogo Freitas do Amaral-- excellent. Let's hope that it will be possible (and that he will permit us) to find him a position independent of political and economic contingencies, one that preserves his image and what he stands for as exemplary values during the dynamic phase that has now begun.

But the war is not over. The next battle is the battle for the government. There we see a man with whom we disagree even in strategic aspects, but whom nevertheless merits our support in the expected confrontations--Dr. Cavaco Silva.

He represents, in the coming months and years, the potential unity and leadership of the 48.7 percent. Against the chronic Mexicanism of the PS. Against the return to the quagmire that is the "Central Bloc." Against the delay or paralysis of a platform, a dynamic, and a line of reasoning that many will try to abolish.

X. The Siren Song of Divisiveness

It won't be long before the temptresses of divisiveness take aim even at Cavaco Silva and his administration in order to provoke a crisis in the executive branch or in its basis of support.

They will do this to backstop the offensive that is to be launched in parliament by the PCP and then by the PS (barely feeling rejuvenated) and by the PRD itself (beset by pressures from both of them.)

Some in the PSD will try to debate the sex of the angels at the worst point in the enemy siege. It is easy, at the moment of defeat, to come and ask that the strategy be rethought. It is easy, and it can be opportunistic.

Dr. Cavaco Silva has made mistakes, and we have pointed them out here. But in these crucial times, to point them out in order to weaken his leadership is to serve the interests of his adversaries. To do so vaguely, hiding behind a disguise, is not to have the courage to deal directly with the response.

Anyone who thinks that Cavaco Silva is not fit to serve as leader of the PSD and prime minister of Portugal should say so and come up with an alternative. But certainly that alternative would not be Dr. Francisco Pinto Balsemao. We are talking about the future--not the past. We are looking for a sign of hope, not trying to heal wounded personal pride. And the errors of others do not justify sticking with one's own error. Besides, the siren song of division will also be heard in the CDS, and it will be interesting to see to what extent the tune harmonizes with that being sung in the PSD.

There will always be someone who will say that Dr. Cavaco Silva is the main enemy, that the CDS cannot grow unless it gets rid of him, that in order to get rid of him an all-out war should be waged in Parliament to drive him over to the PRD and accuse him of committing himself to Eanes' doctrine. From behind the scenes, there would be the discreet parliamentary wink at the PS in the 1978 aggiornato style, with Belem in the middle. The only problem is that these tactics would divide the 48.7 percent gratuitously, without offering them anything in exchange.

That would be politics in the worst sense of the term, to try to destroy a leader whom one may like a lot, a little, or not at all but who deserves the support of those who can only benefit by his continuance in office and his actions.

If we want adversaries, we have enough of them in the opposition--this is readily apparent and surely will fit with the Christian Democratic concept of politics that Dr Adriano Moreira holds so dear.

Conclusion

1980 saw the awakening of the movement. 1986 was a time for hope. 1991 ought to give us reason for new hope. We have never been so close to victory.

This despite the antifascist rhetoric. Despite the all-out appeal of Dr Alvaro Cunhal. Despite some defections. Despite other support only perceived after the voting was over. Despite a candidate who saw the Right as democratic only when he was leading it himself.

In 1986 Mario Soares was elect ed president of Portugal. I respect the democrat, the European, the fighter, the stouthearted tough guy. I weep for the incompetent executive, the greedy hangers-on, the confrontational rhetoric, the arguments that so often spoiled even the slightest degree of fellowship among fellow countrymen.

We'll be right here in 1991.

To give an example that will really impress Dr Soares: one day Cunha Leal was complaining to Bernadino Machado about the latter's electoral defeat, and he suggested that Machado give up politics. With all of his 75 years, Dr Machado answered firmly: "What we have to do is get ready for the next contest." Three years later he was elected president of the republic.

We don't wish Mario Soares the same good fortune as that great cultured gentleman Teixeira Gomes. And 1991 will no longer be Bernardino Machado's era. But it will be time to win. Let's find out how to plan that victory, and it will not escape us.

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PSD NOW SEEN EMBODYING RIGHT IN NATIONAL POLITICS

Lisbon EXPRESSO in Portuguese 1 Mar 86 p 19-R

[Editorial by Eduardo Prado Coelho: "The Renewal of the Democratic Right?"]

[Text] 1. I do not know whether this might be considered an impertinent question, but I think is exactly the right time to ask: did Cavaco Silva back the best candidate for the Presidency of Portugal?

For some months I maintained that, in the context of the line of reasoning that has been a feature of his entire performance, Cavaco Silva should find his own candidate and not back the candidacy of Freitas do Amaral. It is true that as usually put, the question concerned only the problem of whether the PSD was or was not capable of accepting a candidate who looked in some ways as though he came from, a competing party camp. But that was the lesser question. All that would have to happen--and it did happen--was for Cavaco Silva to rally nearly the entire PSD around him and reduce the CDS to an insignificant electoral role and such difficulty would cease to exist. THe real problem was something else; that of Cavaco Silva's being capable of being radical in the direction of change, and radical to the point of rejecting a candidate that was ahead of him. Let us, however, be honest: it is one thing to say that Cavaco Silva ought to have done this or that, and quite another to judge the question of up to what point, in this complex web of dependencies of which power relationships are made, Cavaco Silva could have done this or that. And here we must recognize two things: there was no obvious personality available on the horizon and, under those circumstances, the risk of rejecting Freitas do Amaral was enormous.

2. What happened, after all?

The impartial SEMANARIO (which, in its latest issue, gave us a veritable manual of information and symptoms) explains a little of the evolution of events, as follows: "The victory (at Figueira da Foz) of the current leader of the PSD, a strong personality, would lead to an initial adjustment in the type of speech Freitas do Amaral had planned to make if, as it came to seem certain they would, Balsemao and Salgueiro won the social democratic leadership. In that eventuality, which would lead to a renegotiation and strengthening of the Central Bloc, Freitas do Amaral would take a harder line in his speech and try to set up the conditions for annexing all the space on the Right which, under such a hypothesis, the PSD would leave unprotected."

Here is the heart of the issue: Freitas do Amaral changed his speech to adapt it to Cavaco's speech (hence the conversion of the Left/Right dichotomy into the dichotomy Cavaco had always proposed, that of conservatism/change) but Cavaco limited himself to boarding a bandwagon that was already underway (and which, obviously, was not his own).

The problem, in the first place, was a psychological problem. If Cavaco really planned to introduce a new style into Portuguese politics, then he needed someone who could, without blundering, attune himself to that style. The ideal, really--in Cavaco's reasoning--would be Ramalho Eanes (hence the public praise on 16 February). As it was impossible for Eanes to continue, it would be necessary to find "another Ramalho Eanes." The objections to Freitas do Amaral cropped up on two levels: in the first place, he was committed to the pre-25 April style (and this, although it did not make Freitas a fascist, was his Achilles heel). In the second place, he was committed to certain aspects of the worst style of the previous government from which Cavaco was trying to dissociate himself (partisan games, collapses of governments, hesitations at decisive moments, manifestations of intolerance--as in the case of the persecution of Maria de Lourdes Pintasilgo).

But the second problem was of a different nature: of an ideological order, to be precise. Cavaco Silva would need to find a candidacy that would, in a certain way, seek to give a new ideological physiognomy to the political practice that he wanted to carry out in the government. The best that Freitas do Amaral could do, with the aid of Proenca de Carvalho, was to give the Portuguese Right a freshly-washed and relaxed face, but the truth is that the ideological and cultural void around him was appalling. Those who, like Sousa Franco, might best have been able to contribute to a better-prepared speech limited themselves to a more generic, almost absentminded coverage of the operation in progress.

Once firmly installed at the helm of government, Cavaco had to make a clear and unequivocal choice: Either he assumed the role of a social democrat, and sought to be at the forefront of the renewal of the social democratic idea in Portugal (but such an undertaking seemed extremely precarious given the current nature and inertia of the Social Democratic Party) or he assumed responsibility as the modern Right, effective and pragmatic. This would involve, on the ideological plane, a cultural movement of renewal of the democratic Right. Cavaco Silva finally opted for an accommodating pragmatism with a more joyous version of the traditional Right. So we say that the only one who tried (admittedly with little success) to conduct a movement to renovate the democratic Right turned out to be Lucas Pires.

3. There is a question of names that urgently needs clarification. The data on the problem are simple: (a) social democracy is part of a tradition of the Left; (b) the Social Democratic party has been, and seems doomed forever to be, the great party of the Portuguese Right.

Hence the conclusion reached by Helen Roseta (who, by the way, was the target of some unbelievably vulgar and scurrilous attacks) is the only possible one:

all those who believe that social democracy is not a rightist political position should dissociate themselves from the PSD which, increasingly, is the entire Portuguese Right. Clearing up this ambiguity, even at the expense of old ties and strong emotional investments, is an indispensable condition for clarifying the terms of any ideological debate in Portugal.

4. The Portuguese Right, although somewhat taken aback by what has happened, has managed to involve itself--with impressive naivete--in two obsessions that are being repeated at every turn: almost half the Portuguese see themselves in Freitas do Amaral's platform and they are going to find out what happens when the young people of today, Freitists to the core, exchange their smocks and chalk for the vote and the ballot box.

Perhaps people forget that nothing repeats itself. That it is not enough for the Portuguese Right to sit in the shade of the 48 percent and watch them grow--if only because while some grow, others get older. That the Right cannot rest on its laurels if the Left is not in fact capable of renewing itself. Perhaps Cavaco Silva hasn't the time, the patience, the theoretical tools or sufficient room to maneuver, but the slogan appropriate for his ideal design of how government ought to be is: Let's renew the democratic Right!

12830/9312
CSO: 3542/66

NEW PROVISIONS IN INTERNAL SECURITY LAW

Coordination, Cooperation Targets

Lisbon EXPRESSO in Portuguese 8 Feb 86 p 1

[Text] Eurico de Melo, Minister of Internal Administration, and Jose Manuel Durao Barroso, State Secretary for that area, have finished the final draft of the new Internal Security Law, to be discussed at a meeting of the Council of Ministers shortly after the presidential elections.

EXPRESSO has learned that the new law--which was drafted by a committee composed of Prof Barbosa de Melo, the auditor of the Ministry of Internal Administration, Gomes Dias, and Castro e Sousa, assistant director of the Lisbon law School--reduces the ideological and political content present in the previous law.

The new law, Ministry sources revealed, "seeks, essentially, to map out the structure of coordination and cooperation among the security forces."

This means that chapters referring to the civil protection of citizens and to restrictions on rights, liberties, and safeguards of the police have been deleted.

As regards this last point, Ministry sources stressed that "the question of the labor rights of the agents of authority as employees, which is exactly what this chapter dealt with, should not be part of a basic law dealing with security, but should be covered by the Police Statute."

Furthermore, the new law refers a series of issues to the current Code of Criminal Procedure, retaining, exceptionally, only certain measures of immediate police action. In addition, the eventual civil control of the Armed Forces, provided for in the earlier text, has now been abolished.

Eurico de Melo and Dural Barroso met last Wednesday with the parliamentary committee that handles local matters to outline the broad principles underlying the new Internal Security Law.

The previous administration had managed to get an internal security law passed by the Assembly of the Republic in the middle of the year. However, it was never approved in the special branch because of the rupture in the central bloc.

At that time, deputies from the PS and PSD did, however, succeed in reaching a consensus-subsequently set down in a written document--on the most controversial points of the bill. According to information obtained by this newspaper, that document served as the basis for the law that the present administration now plans to submit for consideration by Parliament.

Organizational Details

Lisbon SEMANARIO in Portuguese 22 Feb 86 p 64

[Text] Dr Ladeiro Monteiro, currently the director of the Foreigners' Service, has been named Director of the Security Information Service and will assume that post on Friday, 21 February. He is one of the few civilians that have wide experience and ability in information matters and is reputed to have good connections in military circles.

Military Officer is Secretary-General

The Cavaco Silva Administration has decided to make quite a formal ceremony out of the installation of the new director of the Information Service and to give the event plenty of publicity prior to naming the secretary-general of the Technical Commission, who, according to all indications, is likely to be a military man. The Technical Commission will serve as liaison between the military sector, the Strategy and Defense Information Service located in the Ministry of Defense, and the abovementioned Security Information Service, which is administratively subordinate to the Ministry of Internal Administration. The legal framework necessary for this appointment had already been approved by the Assembly of the Republic and by the previous government; however, the administration had been postponing the action.

Headquarters Already Chosen

The Security Information Service already has a building on Rua Alexandre Herculano and everything seems to be ready for the services to begin moving in. Specialists in information matters believe, however, that it will be 3 or 4 years before the agencies are fully operational.

12830/9312
CSO: 3542/66

COMBAT EFFCTIVENESS ENHANCEMENT PRIORITIES, GOALS OUTLINED

Bonn WEHRTECHNIK in German Mar 86 pp 49-53

[Article by Col Rolf Abresch: "Combat Effectiveness Enhancement in Ground Forces"]

> [Text] The enhancement of the combat effectiveness of military equipment serves to improve or maintain the combat capability of the ground forces. The upgrading of combat effectiveness is part of a variety of ways to achieve this goal, such as the Technical Instructions on modifications or on new models of military equipment. They are indispensable in that they help adjust the ground forces--which constitute a living organism--to changing threats and technological developments. There is always a need for careful analysis to select the most cost-effective way of going about a particular project. The following article by Col Rolf Abresch, the division engineer of the 5th Armored Division, stationed in Diez/Lahn, contains some basic information on combat effectiveness enhancement in addition to citing a number of major examples of such enhancement.

As distinct from the technical instructions issued by the Ground Forces Material Command, which are numerous and serve the purpose of improving safety, repairability or other, lesser operational factors, combat effectiveness enhancement is synonymous with operational readiness-related modifications of military equipment. This is another way of saying that combat effectiveness procedures go through the same process as new developments of military equipment. This also means that the process is the responsibility of the civilian and military arms sector.

In the final analysis, the optimum configuration of military equipment produces optimum combat effectiveness and this, in turn, means that combat effectiveness upgrading which ususally applies only to part of a system or a given piece of equipment will always have to take the optimal configuration into account. And that means that it must fit harmoniously into the original system or piece of equipment.

It therefore goes without saying that combat effectiveness upgrading cannot be undertaken at will, either in terms of extensiveness or frequency. Thus, a 57-mm cannon cannot easily be made a part of the "Marder" system, without the risk of reducing performance, e.g. with regard to strength of dismounted personnel or potential ammunition supply. A "Leopard 1" battle tank, in other words, cannot be supplied at will with extra armor without impairing its mobility or pre-stabilization.

By the same token, the Leopard 1's combat effectiveness cannot be upgraded time and again because this will not only impair the original harmonious concept and optimum configuration but will also reduce combat effectiveness enhancement itself. What this really means is that after the third or fourth combat effectiveness enhancement there will be no other recourse but to turn to a new item altogether.

Though often of limited value, combat effectiveness enhancement is a tried-and true method of increasing the service life of a given piece of military equipment,of saving cost (as against a new item) and enabling a partial generational change to take place.

But combat effectiveness upgrading must also be thought through thoroughly in terms of its impact on peripheral matters, e.g. materials, logistics, infrastructure, etc.; on operational principles and training.

Whenever international cooperation is involved, there is the additional need to institute configuration controls.

Yesterday's Combat Effectiveness Enhancement

A whole array of combat effectiveness enhancement measures which were due to a great extent to the ingenuity of industry, have made a contribution to greater combat effectiveness in our ground forces in the past.

Combat Units

The Leopard 1 A 1 was equipped with additional armor. The additional armor represents a successful instance of combat effectiveness enhancement which provides great effectiveness by simple means and at reasonable cost without excessively impairing the optimum configuration.

As a counterfoil to the Soviet APC equipped with antitank guided missiles and in order to improve its antitank capability, the "Marder" APC was equipped with MILAN antitank missiles. Although this is a rather effective improvement, there are problems due to overloading. There are plans to uncouple the two in the nineties.

Equipping the "Jaguar 2" with TOW antitank missiles represents an especially noteworthy instance of combat effectiveness enhancement because we were able with little work and at low cost turn an obsolete weapons system, a 90-mm gun equipped tank destroyer, into a highly efficient modern weapons system.

Combat Support Units

Combat effectiveness upgrading measures in the combat support sector included outfitting the SF M-110 203-mm howitzer with a new barrel which increases the howitzer's range and which will continue to be in service for some time to come.

The 110-mm LARS artillery rocket launcher has been equipped with the FERA fire control trajectory measurement device. This represents a very clever method of upgrading combat effectiveness which reduces lead time up to the opening of fire and enhances target accuracy.

Today's Combat Effectiveness Enhancement

At this time, the ground forces are experiencing a whole series of combat effectiveness upgrading procedures--particularly with reference to improving command capability (by means of the third generation of radio equipment) and improving night combat capability (by means of thermal imagers).

Here are some examples: by equipping the fairly old Leopard 1 battle tank with a thermal imager and a fire control device, it is enhanced to become the Leopard 1 A5. As such, it is at least equal to the Leopard 1 A4 and even begins to approach the Leopard 2. It will be interesting to see how it does in the next Canadian Army Trophy competition.

Equipping the "Marder" with a thermal imager (which is the same one to be used on the Leopard 2, the "Luchs" reconnaissance tank and the Leopard 1) will enable that APC to engage in combined arms combat at night and in poor visibility as well as during bright daylight.

Armored reconnaissance units and weapons systems like "Luchs" are supposed to be able to operate at all times of the day and under all weather conditions. The new thermal imager will enable the "Luchs" to do just that.

Combat Support Units

By increasing its range and making it compatible to the U.S. M-109 A3G, the M-109G self-propelled howitzer's combat effectiveness will be upgraded.

The "Gepard" antiaircraft tank will be able to perform even more effectively with the help of a new fire control computer, new ammunition and new radio equipment.

Combat Effectiveness Enhancement Tomorrow

More than ever before, combat effectiveness upgrading in years to come must, as it were, be built into any new system or piece of equipment.

That calls for overdimensioning components (in terms of capacity); modular design of military equipment and interface friendliness to the peripheral sector.

In short, possible threat and technology developments must be anticipated and potential technological responses must already be built into the new weapons system. In other words, self-contained equipment is to be avoided.

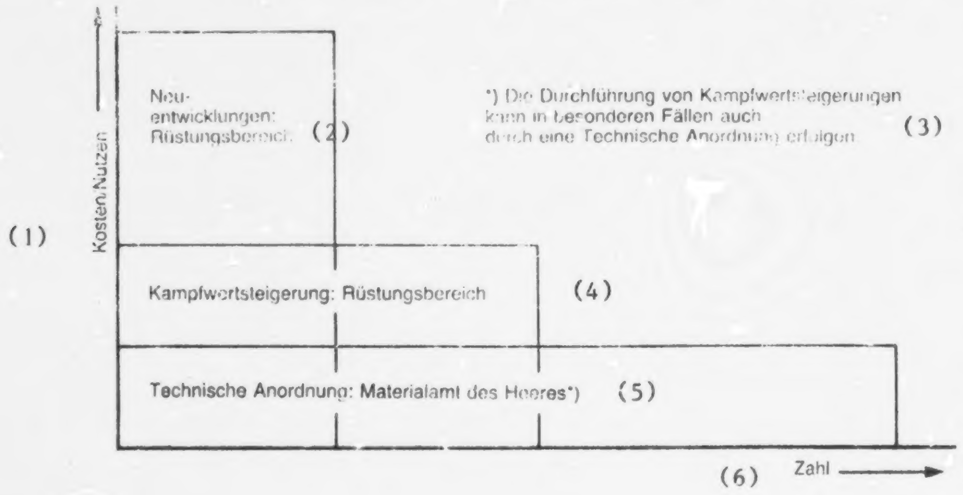
Let me cite a few examples: energy supply must not underdimensioned; future load increases must always be calculated into the design of the suspension and soundproofing of running gear; calib s must be generously dimensioned; engine performance must not be calculated on a "just to get by" basis; the storage capability of computers should be more than merely adequate.

Summary

Combat effectiveness enhancement is indispensable for adapting the ground forces to the threat and the state of technology. It must be performed in a measured, efficient and economical way without impairing the harmony of the configuration. Upgrading should be built into newly developed military equipment. Combat effectiveness enhancement measures are service life costs and, if at all possible, should be applied to the equipment's service life.

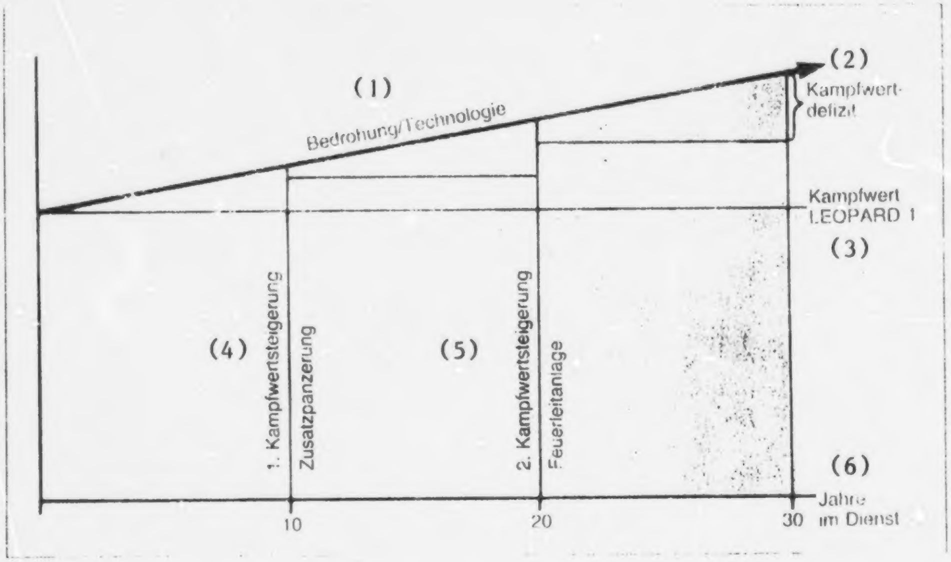
For cost reasons, it should always be determined whether combat effectiveness enhancement can take the place of a new piece of equipment. This applies above all to those instances where a system or piece of equipment has reached the end of its (potential) development. The Leopard 2, for example, is the ultimate turret tank which could at best be improved upon gradually. In this instance then it probably makes more sense to look for ways to upgrade its combat effectiveness rather than to pursue all sorts of revolutionary or utopian schemes.

In the past and in the present, the armament sector, industry and the end users in the ground forces have almost always come up with successful solutions. It is certain that this will also be the case in the future.


(1)
Kosten/Nutzen
Neu-entwicklungen: Rüstungsbereich
(2)
*) Die Durchführung von Kampfwertsteigerungen kann in besonderen Fällen auch durch eine Technische Anordnung erfolgen
(3)
Kampfwertsteigerung: Rüstungsbereich
(4)
Technische Anordnung: Materialamt des Heeres*)
(5)
(6)
Zahl

Key:

1. Cost effectiveness
2. New developments: armament industry
3. In special cases, a Technical Instruction may be issued calling for the implementation of combat effectiveness enhancement measures.
4. Combat effectiveness enhancement: armament sector
5. Technical Instruction: Ground Forces Material Command
6. Number



Key:

1. Threat/technology
2. Combat effectiveness deficit
3. Combat effectiveness: Leopard 1
4. 1st combat effectiveness enhancement: additional armor
5. 2nd combat effectiveness enhancement: fire control equipment
6. Years in service

	(1)	(2)	(3)
	System/Gerät	Kampfwertsteigerung	Bemerkungen
(4)	Kampfpanzer LEOPARD 1	Wärmebildgerät und Feuerleitanlage (5)	Wird Modell A5 (6)
(7)	Schützenpanzer MARDER	Wärmebildgerät (8)	Wird Modell A2 (9)
(10)	Spähpanzer LUCHS	(11) Wärmebildgerät	
(12)	Flakpanzer GEPARD	Neuer Feuerleitrechner, neue Munition (13)	
(14)	Panzerhaubitze M-109 G	Reichweitensteigerung, Angleichung an US-Modell (15)	Wird Modell A 3 G (16)
(17)	MTW M-557	Gefechtsstandführungsmittel wie z. B. Feldbildschreiber (18)	

Key:

1. System/equipment
2. Combat effectiveness enhancement
3. Remarks
4. Leopard 1 battle tank
5. Thermal imager and fire control equipment
6. Becomes model A5
7. Marder APC
8. Thermal imager
9. Becomes model A2
10. Luchs reconnaissance tank
11. Thermal imager
12. Gepard antiaircraft tank
13. New fire control computer, new ammunition
14. M-109 G self-propelled howitzer
15. Increased range; compatibility with U.S. model
16. Becomes model A 3 G
17. M-557 APC
18. Field headquarters command resources, e.g. field facsimile

9478
CSO: 3620/617

PURCHASED AIRCRAFT ALLEGEDLY LACK SPECIAL EQUIPMENT

Athens PONDIKI in Greek 21 Feb 86 p 3

[Text] From an electronic and technological "point" we do not have much, but if the story is true, we are facing a bloodcurdling problem.

1. Every modern fighter aircraft (such as the "F-16" and "Mirage 2000") is meaningless if it does not carry a built-in "Electronic Counter Measures" (ECM) system, a system to electronically neutralize the enemy's electronic devices (radar, etc.) for a short but critical space of the flight at the hour of operation.

2. The ECM is so indispensable that in every air force it is considered better for one to have an older type aircraft which has ECM than an ultramodern aircraft which does not have this system.

Well, in our own atrocious orders the ECM system has not yet been provided for the F-16's and Mirage 2000's! The aircraft will be delivered without the system, which the air force's technical research center, KETA [Air Force Research and Technology Center], will try to construct here!

And we ask, like the naive: How can something like this be constructed in our country?

(The Task Force which has been created in YEThA [Ministry of National Defense] to compose an "expediency study" on the possibilities and requirements for the construction is trying to find out the same thing. This group is composed of technicians from the three research centers of the army, air force and navy. Participation of the EAV [Greek Aircraft Industry] in this group is being discussed....)

How is it possible for us to "dally" with such issues when we have saved for two generations to pay for the "deal of the century"?

And we are talking about a new, big wad, around 400 million dollars according to the first estimations!

Can you imagine the F-16's or Mirage 2000's with...problems in operational activity?

Who will solve these horrible perplexities for us?

9247
CSO: 3521/92

LARGE-SCALE ARMS, EQUIPMENT THEFTS INVESTIGATED

Athens ELEVTHEROTIPIA in Greek 27 Feb 86 p 7

[Excerpt] Salonica, 27 February--A 27-year-old electronics technician, Kon. Doungos, who was arrested at his workshop at 7 Arkhimidous Street in Salonica, is accused of stealing everything from radars and transmitters to weapons and generators.

The stolen goods were transported by four half-ton trucks to a warehouse at the Port Authority, though it was not possible to estimate the value of all the objects.

From the data collected up to now, Doungos' brother, Stavros, who is serving his military service at a unit in Salonica, is reportedly an accomplice.

According to information, more than 50 soldiers in this unit had already been interrogated by yesterday as to any involvement in thefts and whether the many military items found at Doungos' workshop (up to tank headlights) were stolen from this unit.

It was made known by the Ministry of Defense that Stavros Doungos formerly served in the 638 Engineer Battalion in Langadas and that materiel may have been stolen from there.

Also, the Salonica Port Authority, which began the investigation on the case after there were charges that unknown people were stealing telecommunications equipment from boats, is making inquiries about any possible collaborators of the 27-year-old electronics technician. By yesterday afternoon, more than 10 suspects had been examined.

According to an announcement by the Port Authority, the objects stolen from the ships and the army are the following:

Thirty-two "OVHF" "CB" devices, 2 radar devices, 7 televisions, 1 radio station (transmitter), 1 computer terminal, 19 telephone sets, 3 compasses, 3 electric generators, 13 car cassette recorders, 1 M-1 type firearm with 70 bullets, 1 air-gun, 1 flare pistol, 2 tank headlights, 3 army radios, 2 army field telephones, 1 episcope, 1 telescope, 2 sirens, 1 vacuum cleaner, military apparel.

Also found and confiscated was a large number of amplifiers, various types of calculating machines, feed-systems, high frequency generators, depth-gauges, barometers, multimeters, lenses, fans, sail-yards, chargers, batteries, electric tools, photocopying machines, stamps, fire extinguishers, car headlights, car license plates, and a large quantity of electronic and electrological material.

9247
CSO: 3521/92

BRIEFS

AIRCRAFT INDUSTRY IN TROUBLE--Representatives of the union of the 3,500 workers at the EAV [Greek Aircraft Industry] gave a press conference yesterday, during which they noted the antilabor and anti-trade union consequences of the drafting imposed on them. More specifically, it was mentioned that personnel have been arbitrarily moved from section to section, an 11-hour schedule has been imposed and promotions and salary payments have been bogged down, thus depressing productivity and causing the exodus of needed cadres, especially in the electronic field. The representatives of the trade union also noted that the EAV's great possibilities--excellent quality work, mechanical equipment, experienced personnel--are not being used to full advantage because of unsatisfactory management and poor planning. It was mentioned, moreover, that the possibilities of sales on the international market are not being fully exploited, especially in regard to the Middle East. [Excerpt] [Athens MESIMVRINI in Greek 13 Mar 86 p 21] /6091

CSO: 3521/116

ARMED FORCES DISSATISFIED WITH BUDGET CUTS

Lisbon TAL & QUAL in Portuguese 21 Feb 86 p 4

[Article by Rocha Vieira: "Your Turn to Economize, Generals!"]

[Text] The military asked the government for 105 million contos for 1986. The executive branch gave them 95 million and advised them to be good managers and avoid waste.

The amount of discontent among military leaders as regards the 1986 budget can be appraised at 10 million contos. The requests from the Army, the Navy, and the Air Force totaled approximately 105 million contos, but the Cavaco Silva administration decided that the three branches of the service would have to be content with a slightly smaller pie--only 95 million.

As has already become the custom, there were bitter complaints in the offices and barracks from officers who dream of new airplanes, new ships, and new tanks. They say that military budgets are shrinking in real terms from year to year and are reaching "untenable levels"--but the military as a whole shrugs its shoulders. What really matters for most of them is their meal ticket, and the administration didn't affect their quality of life when it guaranteed them the same pay increase as public employees are getting (16.5 percent). In fact--and as usual--personnel expenses eat up the lion's share of the military budget. The Government has decided to increase the other expenses by only 3 percent, which makes any significant investment in facilities or equipment practically impossible.

Once the size of the pie was fixed at 95 million contos, and after a series of meetings between the administration and the military leaders--in which even the Minister of Finance participated--the executive branch left the task of dividing it up to the CEMGFA and the heads of the three branches. An easy process, because all they had to do was respect the traditional ratio of distribution (43.6 percent for the Army, and 28.2 percent each for the Air Force and the Navy). The Navy came out exceptionally well--it received an appropriation of 5 million contos for the planned purchase of new frigates from the Federal Republic of Germany.

In civilian circles it is felt that the Administration showed "great political courage" in not granting the monetary wishes of the military leaders in this year's budget. And, according to well-informed sources, the Ministry of Defense went so far as to ask the Army General Staff for an explanation in connection with a recent message to the Army units that subtly suggested that the budget cuts might result in lower-quality food in the mess hall.

"I don't know of such a note," Dr Figueiredo Lopes, minister of state for defense, told TAL & QUAL. "However," he added, "if the message was to cut waste, that's fine. But I don't believe that the commanders will sacrifice their troops' food--which is, after all, scientifically calculated in terms of protein, etc. I don't know of any failure to observe those quantities, nor do I believe this will happen. If necessary, the fillers will be reduced, but it would be unthinkable to let the boys go hungry..."

Figueiredo Lopes does not deny that budgetary austerity has become "a fact of life" in the Armed Forces lately, but does not seem very concerned about the possibility that patrols, flights, and maneuvers will be cut back even further: "The consequences will be more or less far-reaching, depending on the Armed Forces' own managerial ability. The big challenge is for the military to be good managers. They must choose between what should be given up and what should be kept. If I were a military leader, I would begin economizing as much as possible under current management--I would do what is called waste management. I can assure you that there is no department of the government where waste cannot be discovered and eliminated...and when it comes to the Armed Forces, the situation is no different."

The State Secretary of National Defense denied that there had been "table-thumping" during the discussion of the military budget. ("What? We are all capable of talking to each other...") and repeated that "everything went perfectly normally, along the same lines as in previous years." Even the allocation of an additional 5 million contos to the Navy for the frigates is said to have been well accepted by the heads of the Army and Air Force. "See here," said the secretary, "with the exception of the corvettes purchased in 1974, nothing has been bought and all the other equipment is reaching the critical point. If we do not go ahead with re-equipment, then by the 21st century we'll have plenty of sailors but we certainly won't have a Navy anymore..."

12830/9312
CSO: 3542/68

COUNTRY'S INDUSTRY LOSING INTERNATIONAL TRADE COMPETITIVENESS

Copenhagen BERLINGSKE TIDENDE in Danish 12 Mar 86 Sec III p 4

[Article by Hugo Garden: "Danish Industry Lagging Behind Competitors"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] "The pattern of Danish foreign trade more closely resembles that of an underdeveloped country than the one usually seen in a modern western industrialized nation," according to a provocative statement in a new report from the Copenhagen School of Economics and Business Administration on export problems. Exports contain an inadequate amount of advanced technology. Structural problems are standing in the way of needed growth.

A new report says that the Danish export sector has serious problems and that it will require substantial structural changes before exports can increase to the point where exports can make an important contribution with regard to solving our economic problems.

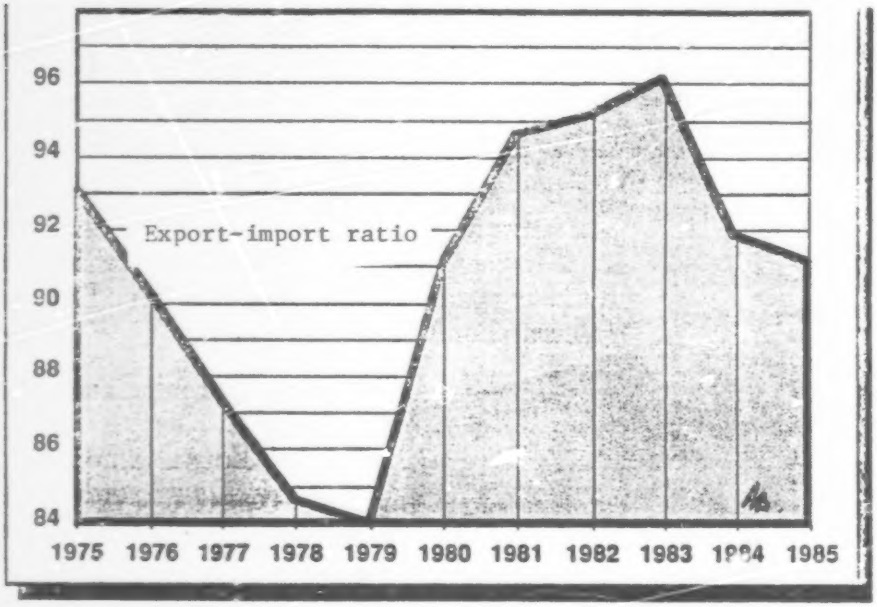
"There is nothing to indicate that Danish exports can live up to the expectations of rapid growth. For a long period of time, from 1961 to 1983, Danish exports have specialized in low-technology products," according to the report which was prepared for the Business Policy Forum and Management Press.

At the conference Finance Minister Palle Simonsen said that the government will soon issue a white paper on research and technology policy.

Advisory Committee

The report is the first of four that are being written by staff members of a number of educational institutions. The first one was written by staff members of the Copenhagen School of Economics and Business Administration and the whole project is being carried out in cooperation with an advisory committee consisting of Professor Niels Thygesen of Copenhagen University, Professor Jorgen Gronnegard Christensen of Aarhus University, debate editor Knud Larsen of BERLINGSKE TIDENDE, director Morten Knudsen of the Technological Institute and two professors from the Harvard Business School, Bruce Scott and Michael Porter.

At the conference Morten Knudsen and several business leaders attacked the premise that Denmark has actually specialized in producing low-technology items, in other words products that have a low content of advanced technology. But there was fairly broad agreement that Denmark is quite far down on the list when it comes to the "advanced level" of industry, as two economists from the secretariat of the Economic Council, Jorgen Elmeskov and Torben Moger Pedersen, put it in a separate report.



Research Exports Compared to Research Imports

The graph shows the research content per export krone in relation to the research content of imports in terms of percentages.

The products that are exported are not as highly developed as those that are imported, according to this curve, which shows the so-called research component in exported items in relation to the research component in imported items. Although there was an improvement from 1979 to 1983 there has been a downward trend since then.

Losing Ground

The two economists concluded that exports cannot keep up in old export markets such as West Germany, Great Britain, Sweden and Norway. In these very important markets export growth has been unable to keep up with market growth, in other words we have lost ground. A serious problem, the economists say, is that we have lost market shares in spite of an improvement in wage competitiveness in the period 1981-84.

Since 1980 productivity has developed at a slower rate than it has in other countries. The economists do not think cost developments can explain the poor showing of recent years with regard to competitiveness with foreign manufacturers.

Finally they say that industry is lagging behind in the technological area. Export products are not advanced enough. The research content of exported products is lower than it is in imported products. Thus there is a deficit in the research or technology balance.

Low-Growth Trap

The economists disagree with the idea that the domestic market has swallowed up part of our exports in a manner of speaking. Danish manufacturers have had a smaller share of the domestic market since the end of 1983 and this indicates that Danish industry is having a hard time holding onto market shares both in this country and abroad, the economists say.

The big report, the first of four, says that the disappointing results for industrial exports in 1985 are not an isolated phenomenon but are symptomatic of a much more serious and deeprooted problem. Industrial exports appear to be caught in a "low-growth trap." This is the result of an inappropriate production and export structure that has been in effect for many years.

"The pattern of Danish foreign trade more closely resembles that of an underdeveloped country than the one usually seen in a modern western industrialized nation," the report says. Thus a changeover will take many years.

The goods-producing sector in Denmark--calculated as a percentage of the country's production--is one of the lowest among OECD countries. In addition Denmark has one of the biggest service sectors, with the public service sector making the largest contribution here.

The goods-producing sector has the same modest relative size as we find in India, Senegal and Venezuela. While West Germany, Japan and the United States specialize in high-tech and medium-tech products, Denmark specializes in low-tech products. This could lead to Denmark being exposed to increasing competition from underdeveloped countries that also produce low-tech goods.

Development Capacity

The report calls for a broader definition of competitiveness than simply the ability to compete in terms of wages. It uses the expression "development capacity," a concept based partly on the capacity of firms to develop and partly on the capacity of the nation to create the conditions that make it possible for firms to develop to their maximum potential.

Thus development capacity cannot be viewed simply in relation to the private sector.

The report seems to confirm Industrial Affairs Minister Ib Stetter's recent remarks to the effect that income policy is becoming a soporific--that competitiveness is not just a question of company costs. There must be a forceful supplementary industrial policy, Ib Stetter said.

The report was compiled by Klaus Moller Hansen, Kim Moller, Frederik Pitzner-Jorgensen, Hans Korno Rasmussen and Henrik Schaumburg-Muller.

6578
CSO: 3613/88

LIKELIHOOD OF AGREEMENT ON RAW MATERIALS RIGHTS SEEN

Stockholm NORDISK KONTAKT in Danish No 3, 1986 pp 30-31

[Article by Torben Lodberg]

[Text] The possibility of renegotiating the allocation of revenues from raw materials came up at the meeting of government leaders from Denmark, the Faeroe Islands and Greenland.

The Danish government now seems to have accepted a long-held desire of the Greenland home-rule government to renegotiate the allocation of revenues from raw materials activities in Greenland, an issue that was decided when the home-rule government took office.

Greenland government leader Jonathan Motzfeldt (Siumut Party) was given permission at the latest summit meeting to bring up the question of these netiations between the governments of Denmark and Greenland and the Greenland government leader later said that Greenland has already raised the question of dividing the income from raw materials activities in a way that is fairer to Greenland.

"Our idea is that income from raw materials activities should be distributed from the start--as soon as the state starts receiving any money from them--according to a different allocation model that is more advantageous to Greenland than the one we have seen so far," Jonathan Motzfeldt said after the meeting of government leaders.

Not a Complete Trade-Off

Motzfeldt also stressed that Greenland has not presented an actual agenda for negotiations or made a firm decision concerning the formula for allocation. "This is an open question and one that we must discuss," the leader of the Greenland government added.

As things stand now, any profit from raw materials activities in Greenland will not be divided before Denmark's entire budget for Greenland has been paid for. This total budget is around 2 billion kroner at this time and in view of the current level of activities there is a risk that Greenland will receive no economic benefits at all from this source.

The Greenland government leader also said that in the context of debating the income allocation principle, people in Greenland have talked about the fact that some of the approximately 2 billion kroner actually winds up in Denmark itself.

"We have talked about this when we discussed housing construction in Greenland and other forms of export from Denmark to Greenland," the government leader added. "A lot of the money that is appropriated for Greenland goes back to the Danish mainland and to Danish firms. So from that point of view as well it would be appropriate to find a more just arrangement between Denmark and Greenland when it comes to dividing the income from raw materials activities."

Raw Materials Administration

Greenland has also expressed a desire to place the Raw Materials Administration under the direction of the home-rule government. When home rule was set up the Raw Materials Administration for Greenland, which is the central administrative link in the raw materials arrangement and functions as the raw materials secretariat for the Joint Danish-Greenlandic Council, was placed under the direction of the minister of Greenland affairs.

The home-rule government wants to renegotiate the placement of the Raw Materials Administration because it wants it located where the raw materials are found.

"The minister of Greenland affairs has said himself that the ministry will be abolished in 2 years," said Jonathan Motzfeldt. "And in any case we do not want the Raw Materials Administration, which is an extremely important element in the whole home-rule agreement, to become homeless 2 years from now. We need to get this cleared up so that the Raw Materials Administration does not end up under some other ministry when this happens," the local government leader said.

Lengthy Negotiations

Jonathan Motzfeldt said that the question of the location of the Raw Materials Administration does not concern its physical presence in Greenland or Denmark, as people have said.

"I don't think this is so important, the main thing is where the administration belongs from an administrative point of view," said Jonathan Motzfeldt. "It should come under the home-rule government because the raw materials are located in Greenland. And without destroying the balance between politicians in Denmark and Greenland I think the future of the administration should be decided on and that it should be assigned to the government of Greenland."

Negotiations between the governments of Denmark and Greenland concerning these changes were started when Greenland Affairs Minister Tom Hoyem (Center-Democrat) visited Nuuk/Godthab at the beginning of February, but it is too early to say how long they will take. When the talks have been completed any new agreement would have to be approved by the Danish Folketing and the Greenland parliament and it is the hope of the head of the government that Danish representatives in both the government and in Folketing will understand the wishes of the Greenlanders and that they will help to make the raw materials arrangement more functional.

"We do not expect this to go quickly," said Jonathan Motzfeldt. "Bear in mind that this arrangement almost broke up the entire home-rule system and that it is still a very hot political issue. But after almost 7 years of home rule, during which we have lived with the raw materials arrangement, it is necessary that people on both sides of the Atlantic take a realistic look at the areas that need to be adjusted. Adjusted in such a way that the arrangement is fairer to Greenland."

6578
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BRIEFS

HOUSING RESPONSIBILITIES NEW CONCERN--Greenland is taking over responsibility for a growing number of areas that used to be the responsibility of Denmark. Housing is one of the areas still under Danish administration and it will be expensive for Greenland to take over this sector. New figures show that it will cost about 400 million Danish kroner a year up to the year 2000. The cabinet member in charge of social affairs and housing, Aqqaluk Lynge, is currently discussing conditions with Greenland Affairs Minister Tom Hoyem, but the two sides are a long way from reaching an agreement. The Danish state has refused to allocate more money for housing construction and housing maintenance in Greenland. At the same time Denmark will not allow Greenland to make state-guaranteed loans for this purpose, Aqqaluk Lynge said. [Text] [Stockholm NORDISK KONTAKT in Danish No 3, 1986 p 31] 6578

CSO: 3613/88

IN-HOUSE TECHNICAL TRAINING BECOMING UNIVERSITY ALTERNATIVE

Duesseldorf HANDELSBLATT in German 7-8 Mar 86 Sec B p 14

[Article by Rainer Nahrendorf: "Vocational Training Programs are 'Hit' With High School Graduates"]

> [Text] More and more high school graduates are going in for professional training programs. According to a study conducted by University Information Systems Ltd. of Hanover, they not only view a technical apprenticeship program as a worthwhile addition to their formal education but even as an alternative to attendance at a university. Specially designed training programs for high school graduates are becoming particularly popular.

The German Economic Institute in Cologne estimates that some 8,000 high school graduates--or one-third more than in 1982--are presently enrolled in special training programs. Most of these are 3-year programs given by more than 1,000 large and medium-sized business firms. Those who attend are trained for positions as economic, commercial and mathematical-technical assistants as well as management specialists and engineers. An informative brochure, entitled "Business Training for High School Graduates," which deals with this hands-on alternative to university study was published in 1985 by the Institute's publishing house (Gustav-Heinemann-Ufer 84-88, 5000 Cologne). The pamphlet lists the firms which offer such training programs and contains additional information regarding the programs themselves, the selection criteria as well as in-training allowances and starting salaries.

BASF AG of Ludwigshafen was one of the pioneers in this type of training program for "high school graduate occupations." Since 1959, the firm has been training high school graduates for positions as mathematical-technical assistants. In 1973, programs for economic assistants were added and in 1974, in conjunction with the Occupational Academy, programs for diploma engineers in electrical and mechanical engineering. Since 1981, there have been programs to train foreign language secretaries and since 1986, programs for diploma engineers in computer science.

The requirement for admission to these "graduate occupations" is a high school diploma and, for those entering the technical assistant program, also a technical high school certificate. Each year, there are 50 spots available for economic assistants; 35 for mathematical-technical assistants; 18 for foreign language secretaries and 20 for diploma engineers, including eight in process engineering and 12 in computer science.

Heinrich Rottmueller, BASF's director of business training, has this to say regarding the basic guidelines for these student training programs:

- close interrelationship between theory and practice;
- intensive, planned and target-oriented training results in adequate hands-on experience;
- theoretic instruction in collaboration with outside institutions;
- other firms have an equal opportunity to take part in this type of high school graduate training program.

In view of the fact that 2,800 graduates are competing for just 123 spots (at least that was the limit until recently) the selection process is tough. In fact, the applicants are screened three times. Initial selection takes scholastic achievements in areas relevant to the training program into account. This is followed by an IQ test and a subsequent personal interview.

BASF economic assistants work as marketing or regional representatives in the sales department; as technical buyers, personnel assistants or as salesmen either in Germany or in company outlets abroad or in BASF member firms; as assistants in the accounting department, in public relations, in the auditing department or in government relations.

Foreign language secretaries work in the head offices and the front offices of the business end of the firm. Mathematical-technical assistants deal with problem analysis and independent programming in research and technology, in business information, operations research and systems programming. The diploma engineers are assigned as engineers in the firm's production plants.

At this time, there are almost 400 high school graduates in training at BASF; 259 of them are taking part in the special graduate occupational program. Women make up a little over 50 percent of the trainees. The total number of apprentices to be admitted to BASF in 1986 will be the same as last year; but in the graduate occupation programs some 25 percent more applicants will be admitted than last year.

Though there was some scepticism at first, the diploma engineers have made their mark in the firm and are now fully accepted as equals. As compared to technical school graduates of equal age, the BASF diploma engineers enjoy an advantage both in terms of career opportunities and earnings. They are also sought after in the general market. BASF has already a number of these young engineers to the competition.

As of 1986, BASF, in conjunction with the technical faculty of the Mannheim Occupational Academy, has started training diploma engineers in mechanical and process engineering. The training positions in these two disciplines were increased to nine and 12 additional positions for training in computer science were created for the first time.

Daimler-Benz AG has also had a lot of experience with this type of training program for high school graduates. In 1972, Daimler-Benz, SEL and Bosch jointly created the so-called "Stuttgart model" which resulted in the establishment of the Occupational Academy which links instruction in scientific theory and hands-on training. Daimler-Benz believes that the strong interest in this type of program on the part of high school graduates (even outside Baden-Wurttemberg) is a good indication of the fact that the occupational academy--11 years after its inception and 3 years after it became an official part of the Wurttemberg-Baden educational system--has proved itself as a viable alternative to university studies. In late 1985, 180 students at the Daimler-Benz occupational academy were working for diplomas in business management and engineering. Since the inception of the Stuttgart model, Daimler-Benz has conferred diplomas on 280 business managers and 104 engineers.

A brochure published by Daimler-Benz' central training and in-house information department lists the following requirements for applicants to the occupational academy:

- The requirement for admission to training at the occupational academy is a diploma from a general, technical or business school. An advanced professional school diploma does not entitle an applicant to admission to an occupational academy.
- Applicants must also possess a training contract issued by a participating training institution, e.g. Daimler-Benz. A satisfactory high school diploma indicating a solid and promising background in the subjects relevant to the training program will enhance the applicant's chances for admission.

- The firm itself expects the applicant to show a willingness to work hard; to be mobile in terms of travel; to display professional flexibility and practical skills and the ability and readiness to work well with others.

In principle, graduates of the occupational academy enjoy exactly the same opportunities for advancement at Daimler-Benz as graduates of universities and advanced professional schools. Available jobs as well as interesting development and management positions are filled by personnel already on board in the first instance, i.e. by those who have proven their worth in the past. The firm is currently working out plans to create a high school graduates training program in the production sector as well.

At Daimler-Benz, there are currently more than 9,100 young people (about 6 percent of the total work force) engaged in training and apprenticeship programs which will qualify them for professional positions at a later date. In the fall of 1985, the firm admitted 2,872 young people (or 1.3 percent more than in the preceding year) to multi-year job training programs, thereby doing its part to meet the great demand for training positions. Since 1975, the firm has raised the number of those admitted to these programs by some 80 percent.

In order to meet the needs of the growing number of trainees, the company has spent some DM 110 million in its factories, outlets and training centers on new construction, expansion and technical modernization of equipment.

Daimler-Benz is a sought after training institution. On the commercial side, there are 24 applications for every training position. On the industrial-technical side, there are six applicants competing for each spot. On the other hand, the company is not making a secret of the fact that it has had trouble recruiting enough applicants for industrial-technical positions in some parts of Germany.

Daimler Benz believes there is a trend toward qualifying for different and better jobs. The company is fighting against the disqualification of interrelated jobs which make up for only 13 percent of the total work force. There also is a growing trend toward assigning qualified skilled workers to production jobs, company officials say.

In 1985, Daimler-Benz spent some DM 300 million on its training programs as a whole.

9478
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CONTINUED OIL PRICE DROP LEADS TO NEW TRADE TALKS WITH USSR

Trade Gap Estimate Widens

Helsinki HELSINGIN SANOMAT in Finnish 12 Mar 86 p 33

[Article: "Kaarlehto Discusses Trade Shortfall With Soviets; Shortage May Rise to Four Billion"]

[Text] Representatives of Finland's Trade Policy Board were in Moscow on Wednesday to discuss possible ways of making up for the shortage of imports from the Soviet Union to Finland. The shortage stems from the drop in the price of oil and runs in the billions of Finnish marks.

At this stage of the official talks, however, no definitive solution will be found to the ever-worsening problem, which substantially reduces Finland's opportunities to export. Efforts are mostly being made at this stage to map out various alternative solutions.

The government group led by Undersecretary of State for Trade Paavo Kaarlehto has engaged in talks with Soviet officials led by Deputy Foreign Trade Minister A.N. Manzhulo. The Finns return home on Thursday.

Problems concerning trade with the Soviet Union may also be discussed at the foreign trade minister level, because Minister Jermu Laine (Social Democratic Party) is supposed to travel to Moscow next week for a one-day visit and attend a seminar arranged by the Foreign Trade Alliance. At this moment, however, the trip is still up in the air due to the strike situation at home.

Shortage May Increase to Four Billion

The drop in the price of oil and the decline in the exchange rate of the dollar have given rise this year to a shortage of imports from the Soviet Union estimated at more than 3 billion marks. Depending on future developments, the shortage could rise to as much as 4 billion.

In practice, there are only two ways to safeguard Finnish exports: increase imports from the Soviet Union or make various types of arrangements for payments. Special interest-bearing accounts or payment-schedule modifications, among other things, have previously been used in similar situations to secure a balance.

The interest-free credit limit of the clearing account between Finland and the Soviet Union is 300 million rubles or a good 2.1 billion marks. The need for additional imports worth a couple billion marks to maintain the trade balance should thus be kept by various means within the credit-limit framework at the end of the year. The simplest solution--but the most troublesome one from the standpoint of the trade agreement and Finnish employment--would be a cutback in exports.

We are now in the first year of a basic 5-year agreement which covers the years 1986-1990. The change in price relations is thus jeopardizing the achievement of goals set for the entire 5-year period. In this sense, all additional and particularly long-term imports would help to maintain the high balance of trade agreed upon.

Elusive Goal

According to customs statistics, last year's exchange of commodities between Finland and the Soviet Union was a solid 35 billion marks: it pretty much reached the level of 5 billion rubles set as the goal.

Due to the change in price relations, however, this year's goal seems to be elusive. When the basic agreement was signed, the exchange of commodities for the entire 5-year period was optimistically estimated at 28 billion rubles or over 200 billion marks. At today's prices, it would take an average annual exchange of commodities of more than 5.3 billion rubles or 40 billion marks to preserve this amount of trade.

The ever-worsening balance of trade has already been reflected in Finland's construction exports to the Soviet Union: there has been a dropoff in export projects as well as traditional construction. The situation is most serious, however, at the shipyards, where jobs will clearly be threatened within a year.

Even though there are still ships left to build, more and more emphasis is placed on the delivery of special and expensive vessels which involve less raw labor. Eagerly awaited at the shipyards, contracts for the final batch of ships will protect jobs but at the same time increase the shortfall of imports, as will every new megaproject agreed upon.

Effort to Maintain Balance

Helsinki HELSINGIN SANOMAT in Finnish 13 Mar 86 p 19

[Article: "Undersecretary of State Paavo Kaarlehto: Trade Between Finland and USSR Will Be Kept at High Level"]

[Text] Moscow (Finnish News Bureau)--On Wednesday, Undersecretary of State Paavo Kaarlehto concluded 3 days of talks on trade problems between Finland and the Soviet Union. The Soviet side was represented at the negotiations by Deputy Foreign Trade Minister Aleksei Manzhulo.

According to Kaarlehto, the negotiations can be described as "minitalks" during which the trade protocol for the current year was closely examined. The real talks will be held in early summer.

The undersecretary of state pointed out that the decision has been made in high-level political quarters to keep trade at as high a level as possible despite the fact that the price of energy--and especially oil--has fallen sharply in recent times. Kaarlehto believes an agreement can be reached to exceed the so-called clearing limit as early as this summer without additional Finnish imports from the Soviet Union.

On this occasion, the Finns presented a long list of additional import articles they would like, but the Soviets were not yet ready to satisfy those wishes, according to Kaarlehto.

The most sought-after items on the shopping list are the raw materials and products of the chemical and petrochemical industries, as well as coal.

The parties to the negotiations now being conducted at the official level will send reports to the political divisions of their foreign affairs ministries where the issue will be discussed further.

Kaarlehto returns to Finland on Wednesday evening.

Further Oil Price Decline

Helsinki HELSINGIN SANOMAT in Finnish 15 Mar 86 p 3

[Article: "Price of Imported Oil Drops Again; Price Minister Promises Entire Reduction to Consumers"]

[Text] The prices consumers pay for gasoline and other oil products will drop again next week. As a result of negotiations between Neste and the Soviets, the price of crude oil has been reduced by $3-4 a barrel.

On Monday, Neste will present its estimate to the Central Office of Foodstuff and Price Control. Price Minister Jermu Laine said it is his view that the reduction in the price of crude oil will be transferred in its entirety to consumer prices. This means an average drop of 15-16 pennies per liter or per kilo in the price of oil products.

Laine believes that the new price cut will facilitate the ongoing negotiations on income policy.

The last time the price of crude oil imported to Finland dropped was about a month ago. The State did not then permit the entire reduction to affect consumer prices but instead "consumed" 170 million marks. The decline in consumer prices at that time was 15-17 pennies per liter or per kilo.

On Sunday, the Organization of Petroleum Exporting Countries (OPEC) opens its meeting in Geneva, where it will try to find ways to bolster the price of oil. The price of Persian Gulf oil has sunk to as little as $12 a barrel.

12327
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POPULATION ESTIMATED FIVE MILLION IN 2020, FOUR MILLION IN 2050

Difficult Social Problems Anticipated

Helsinki HELSINGIN SANOMAT in Finnish 11 Mar 86 p 10

[Article: "Finland in Year 2010: Population Decreases, No Relinquishment of Living Standard"]

[Excerpts] At no point in the immediate future will people relinquish their belief in social progress, nor is any major modification of lifestyle to be expected under such circumstances. This is the way Paavo Seppanen, a professor at the University of Helsinki, evaluated the future when he spoke on Monday at the forum "Finland in the Year 2010."

Roughly 200 participants from various fields of public administration and economic life had gathered for this joint seminar by the Demographic League and the Commission for Industrial/Commercial Life. The theme of the seminar held in Helsinki was our country's demographic development and the challenges it presents to economic life and public services.

The drawbacks which accompany progress are still seen as superficial wounds, secondary in importance. It is believed that ongoing progress itself will discover the medication to heal these wounds, he continued. People are usually very slow to change their ideas and values, and he feels that at no time in the foreseeable future will they abandon their belief in progress. The drawbacks which arise are not generally interpreted as obstacles to advancement or as symptoms of social illness.

Society Becomes More Technological

Seppanen pointed out that notions of progress and advancement can also vary. There is not enough variation, however, for one to assume that the Western nations could voluntarily relinquish, for example, the standard of living they have attained. They will hardly surrender the other comforts of life unless they are forced to.

The society of 2010 will be more technological than the current one. In order to illustrate this development, Seppanen mentioned a U.S. forecast according to which the fields which will expand the most are information science, high technology, electronics, health care, recreational services, as well as printing and publishing activity. There will be a reduction of workers in the textile, garment, foodstuff, and automotive industries, according to the forecast. The biggest cutback of all will be in typists.

Onrush of the Elderly

During his turn at the podium Kauko Sipponen, managing director of the Commission for Industrial/Commercial Life, expressed his concern over the development of Finland's population structure. At the same time, he criticized social policy for the fact that families with children have received inadequate support in our country. Social policy adjusts to--but does not shape--the future, he said.

According to a demographic forecast issued by the Social Insurance Institute several years back, Finland's population will grow until the year 1998. In other words, the number of persons who are born each year is greater than the number who die. A population of 5 million may be surpassed, but that figure will start to decrease in the year 2020 and will be slightly under 4 million in the year 2050.

Sipponen emphasized that as people retire on a pension, they forget about children. It is noticeable even now that the older age-classes have turned into a special interest group with a definite aim. The established pensioners' party and all the old parties have proclaimed themselves guardians of the affairs of elderly persons. This area is filled to overflowing, he indicated.

Yet it is extremely dangerous if society adopts a fundamentally negative attitude toward children, continued Sipponen. The major age-groups have already experienced that society does not concentrate its services on them. Families with children have become second-class citizens who have difficulties on the housing market and with childcare. We have been unable to improve housing production, for example; we are still back in the 1960s. The social housing policy has failed, according to Sipponen.

Newspaper on Demographic Forecasts

Helsinki HELSINGIN SANOMAT in Finnish 12 Mar 86 p 2

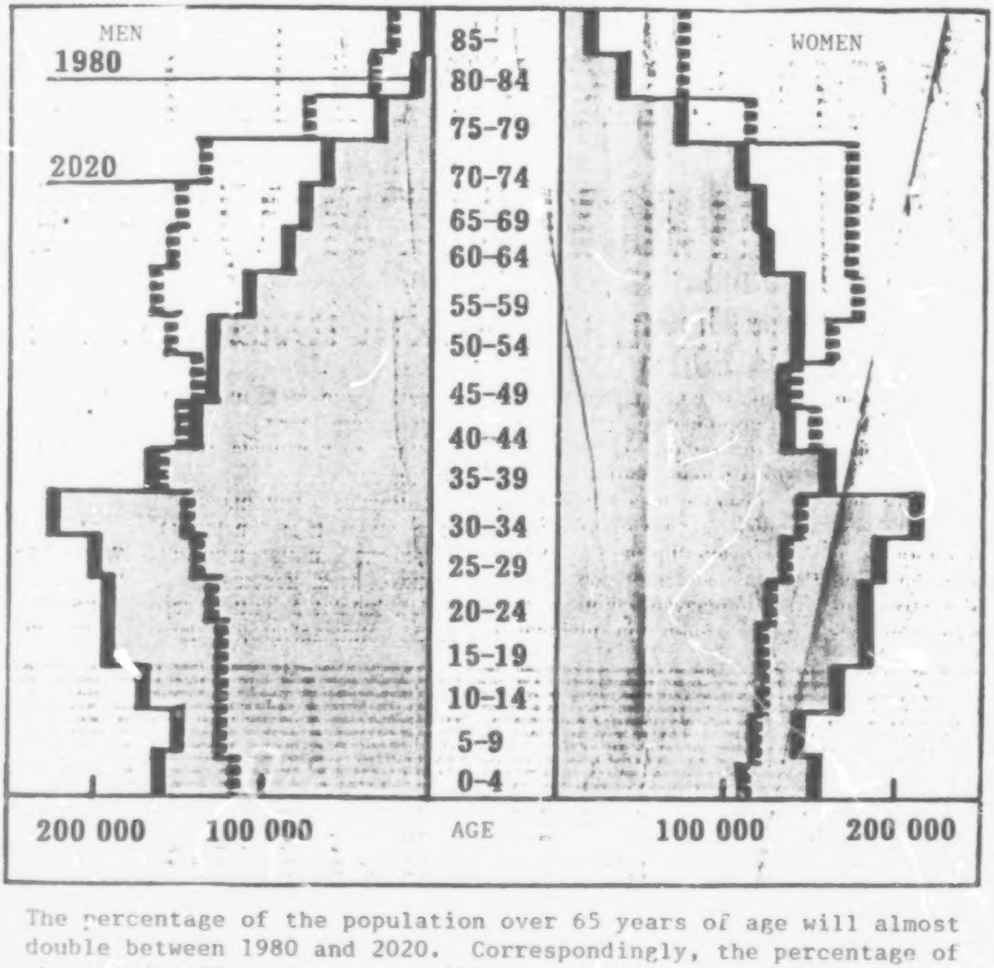
[Editorial: "Time to Discuss Population Problems of Future"]

[Text] The number of persons who inhabit Finland will begin to decline during the next decade. It can also be predicted with considerable certainty that the downhill trend will pick up speed soon after that. The population's age structure has already been altered for a long time: the number of children has dwindled, and the number of elderly persons has increased. During the next few years, the percentage of persons in the work force will start to diminish as well.

All the signs indicate that after the year 2000 Finland will be a country with a rapidly decreasing and aging population. Yet this nation lacks a comprehensive population policy and program. We have not even debated which authority is primarily responsible for such planning.

Is the reason for our unconcern the fact that thanks to large postwar age-classes the percentage of persons in the Finnish work force has remained higher than in most other industrial countries? It will be a different story 15 years from now, and in the year 2025 the number of elderly persons in proportion to the work force will be the highest of all the industrial nations--unless there is a substantial change in the way we regard the birthrate. To top it all off, the smaller and smaller age-classes reach the age of fecundity each year, and the acquisition of children is often postponed or avoided in order to achieve other goals.

The demands made by education have increased. People are getting married later in life than they used to. Afterwards, they have to pay off their college debts and save up for an apartment. An unsuccessful housing policy does not make it any easier economically to acquire children in a society in which work life also exacts more than before. Nor have the conditions for part-time work been created which correspond to the need and demand. There is also an ongoing debate about



The percentage of the population over 65 years of age will almost double between 1980 and 2020. Correspondingly, the percentage of those under 20 years of age will be reduced by one-fourth.

a general reduction in working hours, which in no way will alleviate the problems of families with young children.

Family policy is mostly just cosmetics by which the decisionmakers strive to show how friendly they are to families with children. Managing director Kauko Sipponen is right when he says that the political parties are filled to overflowing with guardians of the affairs of elderly persons. The latter must by all means be taken care of, but the decisionmakers cannot afford to forget what sort of social and economic problems an abruptly decreasing and aging population will cause in the future. Why, our entire national existence may be jeopardized, as Finance Minister Esko Ollila pointed out at the forum "Finland in the Year 2010."

It is not much comfort to Finns that many other industrial nations are forced to grapple with the same dilemmas. In those countries, the manpower needed by industry has been reduced for a long time; here the number of workers is just now starting to decline. Current problems of unemployment should not prevent us from looking into the future, when the demand for manpower and management in many service areas will inevitably grow but the number of workers will be limited. Finance Minister Ollila has good reason to worry about who will perform work and pay taxes during the next millennium.

The first nostrums Minister Ollila prescribes are measures to increase the birthrate, emphasize retraining of the adult population, and shift the financial basis of social security away from dependence on wages. Foolish efforts are also being made to lower the retirement age. He rightfully asks: "Does it make any sense to allow increasingly healthier workers to draw longer and longer old-age pensions at an earlier date?" Alternatives must at least be offered to those in retirement.

Above all, the need for a comprehensive population policy and program is becoming more and more urgent. Their implementation must swiftly be seen as an essential task to be discussed far and wide. Nowadays there is an overconcentration on topical and often artificial problems.

12327
CSO: 3617/85

CNPF PRESIDENT GATTAZ PROPOSES NEW EMPLOYMENT POLICY

Paris LE MONDE in French 5 Mar 86 pp 1, 36

[Article by Yvon Gattaz: "Jobs, Jobs, Jobs!"]

[Text] Many Frenchmen believe that the first three national priorities today are employment, employment and employment.

The only way we can free ourselves of these three obsessive priorities is by finding true and lasting solutions to the problem. Incantations, however emotional, will never succeed in exorcizing the demon of unemployment. Should we then resign ourselves to this powerless state? Certainly not. We know that decadence starts when man begins to ask: "What will become of us?" instead of: "What are we going to do?"

Let there be no mistake: Unemployment is due first to a reduction in the number of jobs. According to the OECD, employment statistics for the seven major powers between 1983 and 1985 indicate that during this period, France was the only major modern power with a decline in jobs, while the six other countries experienced an increase in jobs (see table, further).

A few days ago, official figures revealed that the number of jobs again declined in 1985 by 85,000, not including jobs lost in farming, and that, following a slight dip, the number of job seekers rose 2.3 percent in the month of January 1986 alone.

In addition, France has the highest rate of youth unemployment over the longest periods: 40 percent of the unemployed are age 25 or younger, and one out of five of these has been unemployed for over 1 year.

Youth unemployment is more than an economic and social problem: it is a societal problem. What does the future hold in store for jobless youths? At best, they will become accustomed to not working, which is a serious problem for France's future. At worst, they will turn to crime. And between these two extremes, they may well be exposed to all forms of desperation.

The situation bears watching: Should a social revolution occur in France, it would not be initiated by workers who are more or less satisfied with their employment and with their salaries, but by desperate jobless youths to whom society is unable to offer any prospects brighter than chronic unemployment. The French and their political leaders speak of unemployment with emotion--and rightly so. But it is the people who create jobs--the industry leaders--who are in a better position to discuss employment. Granted, employment is not the end product of a business, but it is directly related to company prosperity. To avoid any potential confusion, let it be said that there is no miracle cure for unemployment. This would have been discovered. Industry leaders are not charlatans.

On the other hand, unemployment is not a hopelessly irreversible state, contrary to conclusions gleaned from the hasty interpretation of certain econometric models which project the future as a rectilinear extension of the past. In fact, these pessimistic projections may be countered by the positive attitude described in the very title of Octave Gelinier's "Unemployment Can Be Cured...If We Want" (Footnote 1) (Editions Hommes et techniques).

There exists a certain number of partially effective solutions to the unemployment problem but the true and only recipe is to strive relentlessly to provide employment for the jobless. It is an error to believe that a few partial measures will provide proportional results. The impact is often insignificant and even nonexistent. As with antibiotics, only a given dose of medicine will effect a cure. Smaller doses are completely ineffective.

First, growth is inextricably linked to employment, and everything must be done to promote growth without inflation. The relationship is not one-sided: increased employment can in itself act as a factor to spur growth. The two can be encouraged by implementing measures that will interact. The first three priorities should be addressed by three countermeasures: training, tax policy and flexibility.

1. Training is essential because without proper training, there are no qualifications; and without qualifications, there are no job prospects. At the local level, technological advances may seem to destroy jobs. But in fact, overall, technology means changing jobs that require new qualifications.

Whether it is provided initially or in alternating or continuing fashion, training creates competence and professional ability. For the enterprise, it represents a costly investment, but it is indispensible and complements it other investments. Our alternating "business youth" training contracts are highly successful: In a 10-month period, our companies have proposed over 200,000 contracts and the annual rate of 300,000 has been exceeded for over 6 months. This pace could be accelerated by a radical simplification of administrative formalities.

In addition, in order to spur employment of the young, France must reinstate on-the-job training which could be modeled on the programs adopted by West Germany, where there are now 1,800,000 trainees. Hiring a youth for on-the-job training must be more than an expense and a risk: It must become a plus for the enterprise.

2. Taxation of French corporations ranks among the highest in the world. This discourages job creation. Companies will create new jobs only if they

can be certain that they will remain competitive relative to foreign firms and thus gain a share of world markets. At the end of 1984, mandatory withholding on corporations in France was 17.3 percent of gross domestic product, while for the other OECD countries, it averaged 9 percent of GDP. Thus, corporate income and payroll taxes in France are nearly twice those in the other industrial nations.

A typical example of the twisted effects of this tax system: France is the only place where businesses are not allowed to make a provision for tax purposes for the (preferential) debt contracted with its employees for paid annual leave. This truly represents a "tax on new employment" estimated at Fr 3,000 per year for a monthly salary of Fr 5,300.

Customs Duties

Another example is the business tax which affects both new investment and new jobs as it constitutes not only a true reverse customs duty by favoring imports and penalizing exports, but also a large obstacle to hiring. This is why business leaders insistently request that it be reduced.

Similarly, the extremely high payroll taxes in our country act as a brake to employment. As we all know, France is the only country which requires that total contributions for family allocations be paid by the corporation.

3. Flexibility is in fact the reverse of the rigidity which is smothering our enterprises. It means suppleness, mobility, adaptation questioning, change; in a word, it is life: the life of the enterprise. At the same time, it is social progress, contrary to one widespread belief.

It was long believed that social progress meant security, rigidity, regulation and irreversibility of acquired benefits. But today, true social progress is employment, a cause for which we must all unite. And this cause is hampered by rigidity.

In general, salaried workers have understood this fact; increasingly, they are taking more stock in their companies, they have a better understanding of their employers' limits; they are also seeking personalized working conditions, flexible hours and wage differentiation.

In sum, the principal types of flexibility that create jobs are the following:

-Freedom to lay off personnel: There is disagreement on whether elimination of the requirement for government authorization prior to laying off staff for economic reasons would create or destroy jobs.

It has been argued that this might even result in a massive increase in the number of job seekers; this was due to a misinterpretation of an INSEE study. Three economic research institutes, GAMA, OFCE and IPECODE, have estimated the "theoretical" increase of job applications that are currently blocked due to refused authorizations at between 15,000 and 60,000, a theory which is too strictly econometric.

Indeed, the problem appears in a different light if elimination of this authorization is examined under the angles of jobs destroyed and jobs created.

First, surplus workers who are artificially employed because of labor regulations.

These surplus workers exist in a number of mostly large, well-known companies. Econometric calculations of these surplus workers do not have much significance because nobody is going to open the gates of unemployment by massive layoffs thereby flooding the labor market with job applicants from one day to the next. Business leaders do not want this. The convivial atmosphere which has increasingly developed in companies implies understanding.

In addition, for each layoff for economic reasons, a social plan must be negotiated with the company's employee-management committee. This would remain, as all other existing benefits would remain.

Finally, legal recourse to the labor-employer conciliation board would be ipso facto re-established--a right that could not coexist with the administrative authorization. Justice would finally supplant arbitrary decisions. And experience in other countries shows that there is no need to fear a massive overload of the system.

No Flood

It is likely that the existing surplus of workers will therefore follow roughly the same curve, whether authorization stays or goes, and that no dangerous flood will be unleashed.

As for new jobs, these would be created rapidly in small and medium enterprises which have openings but are currently reluctant to hire for fear that they will be unable quickly to reduce their staff in case of a business downturn.

The degree of efficiency of this hard-to-quantify freedom will essentially depend on business leaders' confidence in its permanence: They may fear that this is an opportunistic decision of a temporary nature and that it may be canceled from one day to the next depending on circumstances.

Confidence would then play a capital role--confidence in the government, of course, but especially in the attitude that the labor organizations and the CNPF will adopt at that moment. Our guarantee will be indispensable to the operation's success. If businesses gave this confidence, they will hire, and they will employ far more workers than we think: A May 1984 study conducted by PRAGMA projected that at the time, over 350,000 workers could be employed simply by eliminating this authorization.

Employment Growth (in thousands of jobs)

	1983	1985 (preliminary figures	Difference 1983-1985
U.S.	103,000	109,400	+ 6,400
Japan	57,330	58,080	+ 750
United Kingdom	23,700	24,310	+ 610
Canada	10,800	11,380	+ 580
Italy	20,920	21,020	+ 100
FRG	25,190	25,310	+ 120
France	21,730	21,380	- 350

Need we repeat that this prior government authorization does not exist in any of the other major industrial nations which are in fact creating jobs. In addition, it implies government responsibility in all layoffs, which is not its role.

Yes, elimination of the government authorization for adapting staff levels to business activity will create jobs, a great deal of jobs. French business leaders believe that this, together with price deregulation, constitutes the highest priority.

--Wage flexibility will primarily promote recognition of individual merit and rewards for those who place their abilities and their energy at the service of the enterprise in the interest of all of its members. The egalitarianism that has been preached for so long was often the virtuous expression of social jealousy.

Finally, let us not forget the "small jobs" with a low value added which have contributed so much to employment in the United States during the past several years and which often include transitional jobs at temporarily reduced pay. The significant support awarded to the SMIC--surely in a spirit of generosity-has worked against employment, and particularly against youth employment.

--Flexibility in working conditions includes flexible hours (initiated by business leaders and, for the past 15 years, negotiated directly with employees, despite the initial and incomprehensible opposition of the unions), all forms of differentiated work and the arrangement of work hours over long periods, which we call "annualizing."

Part-time jobs alone occupy 21 percent of workers in the Netherlands, 19 percent in the United Kingdom, 15.8 percent in Japan, 14.1 percent in the

United States, but less than 9 percent in France... We underutilize this source of jobs, and freedom must be restored to all of these forms of differentiated work: part-time and temporary jobs and fixed-term contracts.

--Flexibility in legislation on employee threshholds will also be an important factor in employment. Many business leaders are reluctant to hire more than 9 or 49 employees because they fear the avalanche of tax, social and administrative constraints that become effective above those threshholds. Thus, when a business increases its staff from 49 to 50 employees, the number of "protected" employees (personnel representatives, union representatives, members of the employee-management committee, etc.) may increase from 14 to 18 in number, or to 36 percent of its staff. A world record.

It therefore comes as no surprise that there exist scores of "clubs of 9" and "clubs of 49"--companies which stop growing because of the employee threshholds but which could otherwise hire additional staff.

Another significant measure would be to broaden the small business category from the existing 10 to 50 employees to the level of 10 to 100 employees, which would better correspond to this type of company, and, of course, would reduce administrative and social regulation constraints. Finally, a degree of flexibility in the conditions for submitting candidacies in the first round of professional hiring would remove some of the barriers to employment in medium size enterprises.

Desire

In examining this difficult problem of employment, it can be claimed that we place too much importance on factors that are not quantifiable. But beware of econometric models which minimize the effects of the various types of flexibility. The INSEE (which has in fact admitted the negative consequences of certain rigid measures, such as employee thresholds) used for its simulations the "mini-DMS" model in which employment depends essentially on the level of demand. It cannot account for the favorable effect of flexibility on supply, and INSEE recognizes this outright.

What we claim is that, on the domestic and export markets, there exists a variable but sustained demand for our products as long as they are competitive, but that our businesses, muzzled by rigidity, are not in a position to respond to this demand and therefore cannot hire.

Employment may be back tomorrow. But it must be a true desire and every one of these measures must be implemented--every single one. Freedom and flexibility will create economic growth... And business will create jobs.

12929/12798
CSO: 3519/133

BRIEFS

PRIVATE DEPOSITS RISE--Private deposits noted an increase of 663.3 billion drachmas in the twelve-month period, January to December 1985, compared to 582.8 billion drachmas in the same period in 1984, and 331.3 billion drachmas in the twelve-month period of 1983. According to data from the Bank of Greece, sight deposits increased 27.9 billion drachmas, compared to 35.13 billion in 1984, savings deposits were up 431.36 billion drachmas, and blocked deposits rose 8.84 billion, versus 6.53 billion in 1984. Last December, an increase of 239.7 billion drachmas was seen in private deposits, versus a rise of 204.8 billion in December 1984 and 134.8 in December 1983. This increase is due to a 5.5-billion drachma rise in term deposits (last year's increase was 12.9 billion drachmas), 199.8 billion in savings deposits, and 31.94 billion in sight deposits (compared to 23.9 billion in December 1984), while blocked deposits noted an increase of 2.4 billion drachmas, versus 2.3 billion in the same month in 1984. [Text] [Athens I KATHIMERINI in Greek 12 Mar 86 p 7]

STUDY SHOWS ECONOMY NOT RECOVERING BEFORE 1990

Lisbon DIARIO DE NOTICIAS in Portuguese 21 Feb 86 p 4

[Text] According to an article in the magazine ECONOMY AND SOCIALISM published yesterday, a study made by the Damiao de Gois Institute considers it highly unlikely that the Portuguese economy will recover before 1990.

Written by economist Ivo Pinho, the article states that in 1990 the rate of unemployment "is expected to reach an extremely high level," based on two well-founded hypotheses.

The first and more pessimistic of the two, calculated on an extrapolation of past trends of the Portuguese socioeconomic system, predicts that the rate of unemployment will reach 20.6 percent in 1990 and 16.4 percent by the year 2000.

"These rates will be tolerated only if measures are taken to improve the levels of training and job opportunity and, especially, if there is a review of the present laws on social security and unemployment compensation," the article stresses.

The second hypothesis, more optimistic, predicts that the rate of unemployment will reach 20.5 percent in 1990 but will level off to about 12.6 percent by the year 2000. This positive development in the rate of unemployment at the end of the century is to occur as the result of "very favorable demographic growth."

The study made by the Damiao de Gois Institute emphasizes that in the foreign trade domain "the situation also promises to be somewhat critical in 1990: we have only to see a deterioration in the exchange terms--the ratio between the exports and imports--for our foreign debt to reach levels which are virtually intolerable."

The pessimistic hypothesis predicts that our exports will attain a growth rate of 4.1 percent between 1985 and 1990 and 4.6 percent between 1990 and 2000.

The second hypothesis maintains that exports will experience a growth rate of 4.1 and 5.7 percent respectively for those same time periods.

In the case of the pessimistic hypothesis, the GNP is expected to grow at the rate of 3.3 percent until 1990 and 3.6 percent during the last decade of the century.

In the case of the optimistic hypothesis, the comparable figures are expected to be 3.9 and 4.7 percent respectively.

Ivo Pinho points out that the growth in the GNP from 1990 to the year 2000 is the result "of heavy investment made basically in the agro-nutritional sector and modernization sectors--mechanical and chemical equipment and goods."

In the case of the optimistic hypothesis, it is predicted that investments will come to about 5.1 percent between 1985 and the year 2000; with the pessimistic hypothesis, investments are predicted to be 3.3 percent in 1985 and 3.6 percent between 1990 and the year 2000.

In the next 15 years the agro-nutritional sector will experience "a serious increase in the rate of unemployment and the destruction of work stations." From 1985 to 2000, the overall incidence of agricultural employment will be reduced by 7.6 and 9.6 percentage points in the pessimistic (tendential) and optimistic hypotheses respectively.

The work force thus released is to be absorbed by two sectors--construction and equipment and services.

In the latter sector about 224,000 and 336,000 jobs will be created respectively in accordance with the two hypotheses.

According to Ivo Pinho's article, between 1990 and 2000 the Portuguese economy will show improvement with regard to the principal socioeconomic indicators.

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END

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West Europe Report

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POLITICAL AUSTRIA

GRATZ ON CAMBODIA, EC RELATIONS, ARMS TALKS

Vienna NEUE AZ in German 24 Feb 85 p 5

AZ: Mister Federal Minister, you have called the Soviet suggestions for elimination of middle range rockets in Europe progress in the negotiation process. What do you say now to objections such as those raised by the Federal Republic of Germany in entailing that with a disarmament of the Soviet Union in Asia?

Gratz: I have already said for the first time in a lecture given in Kuala Lumpur that we are very glad that the U.S. has not abruptly rejected this suggestion. They have announced suspicions, yet have at the same time promised a serious examination of the matter. The essential thing is not to simply wipe a plan from the table. I am not a military expert, I do not know whether pitfalls are concealed in this, but that can be ascertained in any case only in negotiations.

As a small country in central Europe we are, of course, interested in seeing that the most heavily armed continent--and that is Europe, also with respect to atomic weapons--is liberated from this burden. That ultimately the relaxation of tensions between the great powers has to be on a global scale is clear to us already. Already for moral reasons no one could be for the USSR and the U.S. easing tensions in Europe and yet for shifting confrontation and rearmament to Asia. No one could favor that and it also would not work.

But we do have to begin somehwere. That everything is ultimately tied together, also the strategic weapons, also the question of armaments in space, that is, of course, clear. But somewhere we ought to make a beginning.

AZ: Key word Kuala Lumpur. You have recently visited East Asia--as Foreign Minister of Austria, but also since you have taken over the chairmanship of the international Cambodian Conference from your predecessor, Willibald Pahr. Do you see more chances for success or have you done harm to yourself?

Gratz: No, I know many Austrians are asking themselves how Cambodia may be of concern to us. But I am thinking that Austria has suffered very much in 1938, in that many countries have said, of what concern is Austria to us? My involvement is the consequence of the reality that in the community of nations one can only receive attention and, under certain circumstances, aid, when one is in need of it, when one has not proved to be disinterested in authentic problems of other countries and regions.

In a tangible way it happened that an entire group of nations, all the ASEAN countries, through their trust in Austria, have petitioned me to assume this function.

On chances of success: There is, I believe, a growing understanding in the region for all aspects of the problem. It has been recognized that it does not suffice to repeat as stereotype the per se morally justified demand for withdrawal of the Vietnamese troops, because that changes nothing, and because a peaceful solution through negotiation can then be reached when all nations, including Vietnam, have interest in such a solution.

I envisage three problem areas: The internal situation in Cambodia, the regional side of the conflict and its international significance. In my talks I have emphasized again and again that a solution must correspond to the will of the Cambodians themselves--an externally imposed neutralization, for instance, would have to remain a piece of paper.

I have often pointed out that we in Austria have shown in the last 30 years that one can be a friend to a nation without being an enemy to another.

AZ: On Monday you will be in Brussels and will speak there also with representatives of the European Community. The problems that have threatened through the joining of Spain and Portugal have been resolved. Others are open. How will it contirue?

Gratz: As far as the tariffs in the industrial-trade realm are concerned, the arrangement with the European community is now satisfactory. The most crucial in the coming time period will be the negotiations that are to be conducted between the EC and the EFTA nations on the elimination of the so-called non-tariff impediments to trade.

Of these there are a great number, not only incidental ones--restrictions on quantity in trade that ought to disappear in general as contradiction to a free market. It is a question of hindrance through variable norms, but, above all, and this will be a touchy point, of the public tenders. There are everywhere in Europe regulations that, in the case of tenders, firms in the home country are to be given preference. Thus in wide domains the common market is not at all present. The mercantile system, the desire to export with all possible force, and at the same time walling off one's own market, does not increase affluence in Europe.

AZ: But does the refusal of such a preference in the home country not bring about, particularly for Austria's economy with its smaller companies, disadvantages through tougher competition, which cannot be counterbalanced?

Gratz: Perhaps a transitional period will be required, but many examples show that smaller firms are quite capable of competition. In all nations, also in ours, a learning process is necessary in order to recognize that a perhaps temporary disadvantage brings with it in the long run an advantage. The entire Austrian industry ought to orient iteslf toward exporting not only our splendid specialists, but preferably our products. Because when you see how many Austrians work abroad, you have to ask yourself, if it would not have been better to have these capacities in your own country.

CSO: 3620/605

STUDY SHOWS UNION LEADERS OUT OF TOUCH WITH RANK AND FILE

Munich BAYERNKURIER in German 1 Feb 86 p 5

[Article by K.H.R.: "The DGB and its Members; Contact With Rank and File Lost; A Study by the Adenauer Foundation"]

[Text] It isn't just since the scandal about the union's own "Neue Heimat" scandal that it has been less than peaceful in the DGB. "Our colleagues are in a stinking mood. The membership books are already being thrown out," the leftist IG Druck und Papier (Printing and Paper Industrial Labor Union) wired some time ago to DGB boss Ernst Breit. But those who do not only want to notice the muffled seething in public opinion but prefer a scientific substantiation are urged to read a study of the Social Science Research Institute of the Konrad Adenauer Foundation: It is entitled: "The Labor Unions in the Judgment of Public Opinion." What is involved is an empirical study which the Social Science Research Institute carried out in November 1985 and has now analyzed. The field work was done by the GETAS Institute in Bremen.

What has long been common knowledge but has not yet gotten through to the Duesseldorf DGB headquarters, the DGB leadership can now read, scientifically buttressed, in black and white: The union leadership on top no longer knows what the colleagues below want. Fifty-five percent of the FRG citizens are of the opinion that the union leaders today no longer know what is of concern to the members and thus point out that the union leaders have lost contact with the rank and file. By the way, the same opinion is held even by 44 percent of the union members themselves and even 38 percent of the SPD followers among the union members, the most loyal among the loyal. Moreover this opinion is shared by half of the workers and 56 percent of the salaried employees. Thus this is a clear indication that the present union policy is frequently pursued over the heads of the unions' own rank and file and that the union leaders do not automatically have the support of the members in individual actions.

The power of the labor unions today causes less worry to the FRG citizens than used to be the case at the time of the SPD/FDP government. Against this background, the analysts of the study believe, quite generally there is no majority wish for a further significant change of the political importance of the labor unions--in positive or negative direction. This appears to be the prevalent opinion in "normal times." However, to the extent to which in recent years--e.g., in 1984--labor unions became active in industrial actions, the negative assessments increased greatly.

Spectacular Actions Unpopular

During so-called normal times when the influence of the labor unions is discussed more as theoretical problems, the representation of labor union interests as a rule is treated rather mildly. However, if the labor unions carry out the forms of their representation of interests in practice, the assessment of the labor unions changes very quickly: In July 1984, after the end of the heavy industrial actions in the metal industry, this could be seen especially clearly. The majority of the FRG citizens, namely 53 percent, did not agree with the labor union's action. Even among the union members and their families opponents and proponents of the practiced forms of struggle were equally strong (45 percent each).

Anyhow in the fall of 1985, after a phase without spectacular conflicts between union and management, the people were again more content. But it should be noted in this connection that today, as was already the case in the spring of 1979, there is a big potential for dissatisfaction comprising about 40 percent of the FRG citizens over the way in which the labor unions seek to achieve their aims. It is considered especially noteworthy that this potential comprises, relatively unchanged, also one third of the union members.

Most citizens (40 percent) desire a constant influence of the labor unions. Less influence is advocated by 27 percent of the citizens, especially the self-employed, farmers, and members of the independent professions as well as followers of CDU/CSU and FDP. Thirty percent of the FRG citizens want more union influence; this wish is expressed above average strongly by those under 30 years of age, in addition to wage earners and those who are afraid of unemployment, as well as followers of the SPD and the Greens. It is notable that no less than 44 percent of the civil servants favor a further increase in power for the labor unions. The scientists explain this finding as follows: This reflects the effort so-to-speak "to balance morally their own privileged position by special sociopolitical sensitivity."

The contentment with the representation of the interests of the wage and salary earners by the labor unions continuously declines with increasing age (and thus probably with growing experience in life). Among union members who are close to the CDU or CSU, the dissatisfaction with the unions is 11 percent greater than is the case for the average of all union members. Those union members that can be politically reached by the CDU/CSU and thus cannot be one-sidedly manipulated by the circulation of millions of copies of the union press are dissatisfied particularly with the practiced forms of the representation of interests. The wage and salary earners critical of the unions predominantly come from the voter potential that is close to the CDU and CSU, and here it is especially the voters 25 to 29 years of age. Salary earners and the parts of the population who have confidence in a positive economic development practice above-average criticism of the labor unions.

The most frequent criticism of union policy is directed against its lack of an orientation towards the future. More than 60 percent of the FRG citizens, more than half the wage earners and almost two-thirds of the salary earners are of the opinion that the unions make their decisions too much based on the current state of affairs and thereby do not think enough about the future. Even the majority of the union members shares this criticism.

Almost 40 percent of the wage earners, nearly half of the salary earners and at any rate even one third of the union members criticize that the unions are not seeking long-term job security. Even 46 percent of the union members share the view that the unions concentrate too much on the interests of the jobholders and neglect the interests of the unemployed. A less than flattering judgment.

And that people such as Steinkuehler would not put away their umbrellas even though the sun was shining brightly, the people realize that, too. It is no credit for the so-called labor leaders when only a little over a quarter of the population and also a minority of the wage and salary earners believe that the labor unions would support a policy of economic upturn for long-term job security.

12356
CSO: 3620/581

FEWER FIRST-YEAR UNIVERSITY STUDENTS: TOTAL STILL INCREASING

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 14 Feb 86 p 6

[Article by B.M. datelined Bonn, 13 February: "Number of First-Year Students Declining; Regional Differences; Nevertheless Increase of 'Overload' Still Continuing"]

[Text] In the winter semester about to end, the decline in the number of first-year students at scientific universities as well as at technical universities has been greater than initially believed. As late as January the University Information System in Hannover had announced on the basis of a projection that the number of first-year students was merely 2 percent lower than in the preceding year. Now DEUTSCHE UNIVERSITAETSZEITUNG, based on its poll with the Land Office for statistics and the culture and science ministries, has found that the decline on a federal level is probably about 5.2 percent if the winter semester of 1985/1986 is compared with that of the preceding year.

These results nearly coincide with the figures of the Federal Statistical Office recently published. The federal office, however, combines first-year students of the 1985 winter and summer semester, thus an entire academic year and arrives at a reduction of 5.7 percent over the preceding year.

Nevertheless the total number of students increased once again during the current semester, namely by 2 percent. There are now 1.3 million German and foreign students (5.5 percent foreigners), whereby the female students with 508,000 exceeded the half-million mark for the first time.

To prevent the economizing wishes of the finance ministers threatening for this reason, the president of the West German Rector's Conference, Berchem, in a conversation with this newspaper pointed out that it will take many years until the "overload phase" at the universities will have been overcome. Especially in the popular subjects, the professors cannot devote themselves sufficiently to the students. Therefore, he said, it is important that at least in the higher semesters intensive scientific counseling and care of the diploma and doctorate candidates take place.

The West German Rector's Conference has just published a voluminous report on the financial situation of its member universities. It reveals that from 1975 to 1983 the number of students at scientific universities increased 43 percent, but the number of professorship positions by only 10 percent. The number of positions of the other scientific personnel is even declining.

12356
CSO: 3620/584

POLITICAL FEDERAL REPUBLIC OF GERMANY

WORKERS' ACADEMY AT BREMEN UNIVERSITY GENERATES CONTROVERSY

Bonn DIE WELT in German 12 Feb 86 p 4

[Article by W. Wessendorf, Bremen: "'Workers' Academy'--a New Thing of Bremen University"]

[Text] After a long time, the Bremen Social Democrats have once again planted an orchid into the political landscape: The Academy for Labor and Politics at Bremen University. The director of the controversial adult education institute, Hans Dieter Mueller, on his work: "This is something like a historic moment, especially at a time when the labor unions and the wage and salary earners are faced with a whirlwind."

Mueller, who is likely to be elected new Bremen SPD Land chairman on 15 March, does, however, have his opponents in the labor union as well as at the university. In circles of wage and salary earners it is feared that the new institution with the pompous name will become competition for the union educational institutions.

Rector Worried About Reputation

The rector of the university, Juergen Timm, too, is worried about the reputation of the alma mater and says peaceably: "Knowledge about power is indeed to be made accessible to the general public, but scientific criteria must take precedence over political interests." He proposed seeking the exchange of experience with corresponding centuries-old educational institutions for wage and salary earners in Oxford and London.

The academy is an offshoot of the Bremen Center for Cooperation of University and Chamber of Labor, which is headed by Mueller. The 58-year-old politician, who is regarded as belonging to the left SPD spectrum, is considered father of the idea to make possible access of the workers to scientific fundamentals and research results--without entitlement to university access: "We are starting something special which, we hope, will find attention all over the FRG," rejoiced the head of the executive department for education, science and art, Horst-Werner Franke (SPD): "Thus this university sets new standards."

The expert in labor law, Wolfgand Daeubler, husband of SPD Bundestag deputy Hertha Daeubler-Gmelin, was amazed about the high participation in the first seminar. For about 400 found the way to the school at the Barkhof in the heart of

Bremen. The tradition-laden secondary school, which will shrink according to Horst-Werner Franke's controversial educational plan, in the future will be the center of the academy. Daeubler, known because of his popular contributions at Radio Bremen, sonorously: I had only figured on 30 to 40."

This first course for shop stewards and personnel officers, union functionaries and legal protection secretaries who deal with the introduction of new technology soon also separated the wheat from the chaff. The curious left the lecture hall after the one-hour lecture with the complex topic, left the academy field to 50 shop stewards and functionaries. The following week there were only 30 persons left willing to learn.

"That is how many places have been provided for the time being," Mueller said to WELT. The courses are to be held in seminar form, the model phase is to run for 4 years, a second course for a "basic study" (two years) is to start in October. The director: "Plans call for 30 places for it, too."

Usability Unclear

"Attendance of the academy is open to all wage and salary earners," the program for the first half of 1986 states. Mueller, with an eye to the fall: "If we get more than 30 applications, we may have to make a selection based on the biographic data concerning the motivation for advanced education." All course participants are supposed to get a certificate about the usability of which the union representatives are, however, not yet in agreement.

The academy's board of trustees with equal representation includes for the university the rector, and two additional university instructors; three representatives speak for the Chamber of Labor and labor unions; 7 lecturer positions were established; university instructors, scientific collaborators of the university and persons with practical experience from the plants and unions are to participate. The costs for noncash resources alone amount to DM 64,000 annually.

12356
CSO: 3620/589

STUDY EXAMINES TELEVISION, READING HABITS OF GERMAN YOUTH

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 28 Feb 86 p 4

[Article by bwi, datelined Mainz, 27 February: "Five Hours a Day Media Consumption"; "Youth and Media" Study; TV in First Place]

[Text] A gap in the generally voluminous youth research was closed with a study on the topic of "Youth and Media" presented on Wednesday in the Mainz ZDF (Second German Television Program) studio. The study commissioned by the media commission of ARD (Association of Broadcasting Institutes of Germany) and ZDF and the Bertelsmann Foundation is based on a representative poll of 4000 youths and young adults between 12 and 29 years of age. The results provide insight not only in type and extent of media use--the categories provided were TV, radio, sound recordings, video, newspaper, periodical and book--but they also place them in context with sociodemographic features, youth values and needs.

In general the study results confirm that the media occupy an important place in the daily life of the youths and young adults. On the average, they spend 5 hours a day with media. Sixty-one percent of the interviewees listen to radio, cassettes or records every day, 48 percent read the newspaper daily, and 47 percent watch TV daily.

In the breakdown of the time spent with the media, the dominance of the audiovisual media over the print media becomes, however, clear: Half the time is allocated to auditory media, one third to TV, and only 13 percent to reading of newspapers, periodicals and books. With increasing age, regular reading of newspapers increases while TV consumption declines in the middle age groups as part of the separation from the family and growing outside leisure time activities and does not rise again until the young adults enter working life and establish their own families. The choice of the medium is also influenced by the level of education and by the values of the youths.

The analysis of the results for shaping the programs of the TV facilities has not yet been completed, the commissioner of the ARD/ZDF media commission, Kabel, announced. Interest in the study was expressed by the youth editors of ARD who wanted to deal with the consequences of the study at an editors' conference.

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GIRLS CONSTITUTE 45 PERCENT OF 1985 VOCATIONAL TRAINEES

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 14 Feb 86 p 14

[Article by Wg, datelined Hamburg, 13 February: "More and More Girls Enter Vocational Training; Females Already Constitute 45 Percent of Apprentices; Men Will Soon Be Overtaken"]

[Text] According to a forecast of the Hamburg Chamber of Commerce, every second apprentice will be female as early as 1990. The share of the girls in the apprenticeship contracts has increased since 1973 from about 38 percent to 45 percent in 1985. According to the Chamber of Commerce report, in the business occupations the women have already clearly overtaken their male colleagues. Only about 40 percent of all apprentices in these occupations are men. In some categories men are hardly represented to any significant extent. According to the occupation training statistics of the chamber, their share, e.g., for training in the bookseller's trade is down to 19 percent, for druggist to 7 percent, for florist to 5 percent. Only 23 percent of the apprentices who want to become display artists are male, 20 percent of the business people in the hotel and inn trade and 20 percent of the office staff. Merely in a few port occupations (seaborne goods controllers, lightermen, inland waterways navigators) and in the case of professional truck drivers, women are not yet represented.

Even in the trades courses of training--traditionally a male preserve--the share of female apprentices meanwhile has increased to over 13 percent. Even though parity of the sexes according to the chamber is not in sight, there are individual occupations (chemical laboratory assistants, construction draftsmen, producers of printed forms and artwork, cartographers, compositors, screen printers, neon tube glass blowers as well as in the textile field), in which the women have already surpassed the 50 percent mark. As most important reason for the relative increase of girls in the trades training field, the Chamber of Commerce mentions the increasing rationalization, which replaces heavy physical labor. Nevertheless, following completion of their training, women ,with noticeable frequency ,change from traditional male occupations to occupations which are associated with services or to plant departments for production planning.

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LAW, MEDICINE ATTRACT FEWER STUDENTS; BUSINESS DRAWS MORE

Munich SUEDDEUTSCHE ZEITUNG in German 15-16 Feb 86 p 1

[DPA article datelined Dortmund: "Great Rush in the Business Management Field; Number of Applicants for Law and Medicine Declined According to Statistics on Places to Study"]

[Text] The Central Agency for the Assignment of Places of Study (ZVS) in Dortmund has assigned the first places of study for the 1986 summer semester to 3300 future lawyers and 1400 budding economists. Of 5300 applicants for business management, for the time being only barely 3000 can enroll. The others must wait until mid-March because the guarantee of a place to study cannot be redeemed until the "excess funds" of the Laender are made available, according to the ZVS.

Business management becomes increasingly popular among the students to be: The number of those interested increased by 900 compared to last year. In the related discipline of economics, the number of applications increased by 100. These courses of study are allocation subjects in which everyone is assigned a place and the ZVS merely acts as intermediary of the university locations.

However, the rush to the legal profession has declined: With 3300, the ZVS recorded 700 fewer applicants. At the same time, the number of candidates for medicine and dentistry declined about 14 percent. For the 4100 study places in the field of medicine, there were 20,500 applicants, 5500 fewer than a year ago. In the field of dentistry, applications declined from barely 7000 to 5300. Only about 900 of them can count on a place of study. According to ZVS, all applicants are to be informed by mid-March concerning the result of the assignment of study places.

There will be more places of study during the winter semester of the 1986/87 study year in the field of computer science: As the sixth in Bavaria, the Rosenheim Technical University will introduce this course of study. First-year students who wish to enroll on 1 October 1986 in one of the 60 study places may apply until 15 June.

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MITTERRAND'S FOREIGN POLICY ACTIONS CRITICIZED

Paris POLITIQUE ETRANGERE in French 4th Quarter 85 pp 961-973

[Article by Bernard Adrien, pseudonym: "A Major Problem: Dismemberment of Foreign Policy" under section titled "Viewpoints"; passages within slantlines published in italics]

[Text] The unprecedented proliferation of international relations has entailed throughout the world a calling into question again of the administrative and policy structures that deal with them. The Fifth Republic has not escaped this process. With the release of the Racine Report in 1968, and at the initiative of Michel Debre, a set of reforms(1) was set in motion to "modernize" the state's resources for the conduct of foreign policy. The results of this operation and the orientations recently embarked upon in this domain are sufficiently uncertain to apparently warrant analysis.

/Two major and, paradoxically, opposing tendencies presently characterize the conduct of French foreign policy. The first of these is an increased "presidentialization" of this activity; the second, a trend towards dismemberment and atomization of our foreign policy./

In the past, the functions of foreign representation and continuity of policy had already been made the direct province of the president of the Republic, under regimes as hardly "presidential" as the Third and Fourth Republics. Before addressing diplomatic issues, "old Combes" used to say to his colleagues in the Council of Ministers: "Let's leave that, gentlemen; that is the business of the president of the Republic and the minister of foreign affairs."(2) The 1958 Constitution gave written confirmation to this obvious fact, affirming the preeminence of the presidential function. But the practice instituted by General de Gaulle was aimed at raising to presidential level only matters requiring such treatment. The Elysee was the decisional and power center. The Ministry of Foreign Affairs put forward the substance of the final decision and was its principal executant.(3)

Continued expansion of the foreign domain "reserved" to the Presidency has changed this system. This change, begun by President Pompidou, received additional impetus under Valery Giscard d'Estaing's presidency and has been sharply intensified during the current presidential term.

One of its most significant manifestations has been the development of personal diplomacy at the heads-of-state level. Since 1974, Western summits have taken on a periodicity that has led the advisers of the heads of state to assume unto themselves almost exclusively the province of preparing for these summits. The diversity of problems dealt with by the advisers in the [preparatory] meetings that have now been added to the European summits has naturally led to their intervening directly in most of the domains of foreign policy. This movement has also gained strength from the exceptional increase in number of presidential trips. President Giscard d'Estaing made 18 trips in 7 years; in 3 years, Francois Mitterrand has already made 36.(4) Each of these trips provides an opportunity to strengthen personal ties and to address matters directly at the Elysee level. This is also true of the existence of the telephonic hotline and of the holding of advisory meetings within the Presidency, from where they are also followed up, of course.

African policy is also experiencing more assertive presidential intervention. Already in the past, the activity of presidential advisers, like Messrs Focard and Journiac, has permitted the head of state to follow these matters with close personal attention. Today, the activity of Guy Penne and the presence of one of the president's sons at Penne's side have strengthened this tendency. In addition to French-speaking Africa, other zones and other dockets, such as Latin America and Franco-Canadian relations, have crossed over into the immediate province of the Presidency.

The "presidentialization" of foreign policy is gaining ground in another way: appointments to office. The appointment of some 10 heads of diplomatic missions(5) from outside the Quai d'Orsay's cadres, and often from among his relatives or his political friends, provides the president of the Republic with a direct tap into the administration concerned and creates through these officials a network of relations that bypasses administrative channels. The phenomenon is particularly manifest in the case of the "major Embassies." It is reinforced where these outside appointments extend to the central administration and to entire sectors of it.(6)

In sum, the role of the advisers and friends of the president has recently been enlarged. Valery Giscard d'Estaing had already appointed Michel Poniatowski his personal representative with the title of ambassador at large. Francois Mitterrand developed this procedure, using personal emissaries systematically for confidential missions; this was the case with Messrs Salzmann, Roland Dumas, Jacques Attali and Francois de Grossouvre, and, in a more official sense, within the Socialist Party, Claude Estier, Jean Poperen and Eric Hinterman.

This concentration of powers is being accompanied, paradoxically, by a /trend towards atomization and dismemberment of our foreign policy./ This result stems from the overwhelming proliferation of bodies sharing in it. The reason for this phenomenon is a dual one. It has to do, first of all, with the natural penchant of the state for wanting to do all things, including those in the foreign policy domain.(7) It also has to do with the fact that international activity, heretofore limited essentially to high-level policy matters, today touches on all domains of the country's life, which thus finds itself "immersed" in international relations. It follows, and the phenomenon is not new, that each and every French body operating abroad seeks to develop its own policy and its implantation there.(8) At the governmental level, the creation in 1981 of an "umbrella" Ministry of External Relations extending over European affairs and cooperation sought to take into account this dimension of the French presence abroad. It in fact reverted, under another name, to a structure that was previously used under General de Gaulle and Georges Pompidou, without succeeding, however, in channeling or coordinating the accelerated growth of the external activities of the Ministries of Foreign Trade, Industry and Energy, and Agriculture, or, for that matter, those of the Ministries of Social Affairs, Education and Culture. If anything, this "atomization" was in fact intensified owing to the personalities of ministers like Michel Jobert, Jean-Pierre Chevenement and Jack Lang, who saw fit to operate abroad with the utmost autonomy.(9) A separate place must be accorded to the foreign activities of the Ministry of Defense and to those of the Finance Ministry's Treasury Directorate, which, because of their specificity, have, each in its own domain, a greater freedom of maneuver.

It follows that the exceptional proliferation of trips abroad by ministers over the past several years is extensively exacerbating this phenomenon of atomization. Each of them takes advantage of the opportunity thus provided to engage in direct talks that naturally exceed his or her area of responsibilities, create personal networks, initiate actions that are not always coordinated with those of the other Ministries, and even to undertake commitments in excess of his or her authority. The practice of signing "administrative arrangements" has recently grown, devoid of all interministerial coordination and, a fortiori, all Parliamentary oversight.

The foreign activity of economic and professional bodies and, in particular, the big French enterprises, is contributing to this dismemberment. The latter are moreover all the more tempted to play an official role, or actually led to do so, by the fact that their newly acquired nationalized status gives them a special dimension from a foreign standpoint.

The movement thus described also feeds on the role being played by the political parties in the diplomatic domain. In the case of the Socialist Party, its active participation in Socialist International, and the party-to-party missions being entrusted to its officials, are creating supplementary and privileged diplomatic channels that also feed into the Presidency, but whose ramifications are more diffused.

/The problems posed by the "presidentialization" of external activities and by the dismemberment of our foreign policy are numerous./

The first is /the risk of bad coordination of our foreign policy./ The concentrating of external activities under the Elysee is leading each new body that deals with them to install a network that will provide it with an open door to the source of power. Traditionally, three principal channels of information and decision-making led to the Elysee; they concerned the Ministry of External Relations, the Ministry of Finance (Treasury and DREE [Foreign Economic Relations Directorate]), and the Ministry of Defense. Their natural terminal points were the president's diplomatic adviser, his economic adviser and his presidential headquarters staff. These "links" have now proliferated in proportion to the burgeoning of the staff that surrounds the president of the Republic and, above all, to the number of "external" executants in the different ministries. A fourth network has made its entry in recent years--that of the Ministry of Industry--while each trip abroad by a minister or by a high official tends to create another new network.

These multiple developments should have resulted in the instituting of an effective coordinating structure. However, the Presidency of the Republic is not equipped to perform this task unaided, and the Ministry of External Relations is not being put into a position to assume it. The present working methods of the advisers in the Elysee, where personal ties and "networks" count a great deal, are conducive to vertically-oriented decision-making rather than horizontal coordination. The Hotel Matignon has never taken over in this domain. Under the Fifth Republic, its role in foreign policy is not essential. It is limited mainly to the preparation of the prime minister's trips, the number of which has sharply increased with Pierre Mauroy(10), to certain economic and industrial affairs, and to keeping an eye on European issues whose repercussions can seriously affect domestic policy. For this purpose, a specific body--the SGCI(11)--was placed directly under the prime minister, and its secretary generalship entrusted at times to the diplomatic adviser to the head of the government.

However, over the past few years, the status of certain interministerial agencies, which have traditionally played an effective and useful role, has been very sharply diminished. This has been the case for the SGCI, whose role is now secondary in the drawing up of French positions at Brussels, and for the External Nuclear Policy Council, which has slowed its activity and has not met since 1983. This situation is creating a void that everyone is exploiting as one pleases. The contemporaneous existence of "networks," of special channels stemming from political loyalties and personal ties, with a sizable diplomatic expansion, multiplies the risks of contradictions and of competition among increasingly numerous international initiatives.

This lack of coordination can have as a consequence a /compartmentalization of the negotiations/ being conducted with another country, with Finance possibly unaware of Trade's problems, and the latter uninformed on Fiscal or State issues. A third country, for example, could be granted a considerable easing of its foreign public indebtedness without taking the opportunity to settle thorny bilateral questions. Or inversely, and for lack of an overall view, very partial issues such as fiscal matters can contribute to the deterioration of the climate of relations between two countries, excellent though their relations might be in all other respects. These different examples are not intended to vindicate a policy of systematic "linkage" among all questions, but rather to justify a fully integrated overall approach to our foreign policy.

The "compartmentalization" of the executants of our foreign policy is at times compounded by a certain /impermeability to the actual problems of its private and para-public operatives./ Prior to a presidential or ministerial trip, the rule calls for taking stock of all the problems the French enterprises are having with the country being visited. With the exception of the largest, and aside from rare occasions when, on the contrary, they are being nonplussed by the multiplicity of their public interlocutors, our enterprises are still being consulted too little.

The second problem is the risk of /"deprofessionalization" of the handling of matters/, in favor of an analysis of the problems from the standpoint of national cleavages. The explanation is simple. New figures and "politicians" discovering foreign policy cannot resist its allure. Anxious for quick results in specific domains, and animated by strong convictions, they do not always see that the prudence of the professionals charged with its implementation is a tested method for analyzing and validating the national interest abroad in all its many aspects. Referring to the Quai d'Orsay in his most recent book, Regis Debray emphasizes the importance "of an even colder style than the others, capable of absorbing the spasms of a superheated dispute among all."(12) Although Claude Cheysson is a professional diplomat, he was tempted for a brief moment by this approach when he posited himself as the representative of Socialist France during his first trip to Algiers. Unfortunately, historical examples abound attesting to the dangers of trying to transpose domestic policy criteria abroad. It should be recalled that, in the past, all of France's major foreign policy options have been "laical" in the fullest sense of the term; that is, devoid of ideological or religious influences and of that of blocs.(13)

Another major drawback of "presidentialization" of foreign policy, and of the proliferation of "networks," is the /development of a personal diplomacy./ The dangers of this process were long ago underscored by Commynes and Richelieu. From time immemorial, misunderstandings(14) and disillusionments(15) have been its most unpremeditated fruit. These drawbacks are not limited to the Presidency. Pierre Guidoni, deputy from Herault, appointed ambassador to Madrid, for example, was unable to totally succeed in his mission, despite his qualifications and his close personal ties with Spain's Socialist leaders.(16)

The effect of these phenomena on the administrative machinery is disruptive. Frequently short-circuited and bypassed by secret initiatives and by third entities, /the basic diplomatic infrastructure is misused/ and has the feeling of being called into question again, when as a matter of fact, through its worldwide network of stations and the excellence of its communications, it handles the logistics of all statal activities abroad, whether these be official or otherwise. We might add that the appointment of numerous "nonprofessionals" in one of the state's oldest administrations, whose tradition is that of being neutral and whose competence is recognized(17), gives it the feeling of being disavowed.

/A costly administrative disarray/ must be added to these drawbacks. An uncontrollable proliferation of offices, of official representatives, of delegations, and of services "responsible for external relations" doubles the Quai d'Orsay's existing structures without tangible benefits.(18) The French diplomatic network's incomparable stores of knowledge are thus often underutilized, when they are not being totally disregarded. True, in the latter case, the Quai d'Orsay's structures frequently intervene to rescue ill-begun initiatives. But by that time it is often too late.

Depending on the concept one forms of the external world, /various consequences can result from the phenomenon of "dismemberment" of foreign policy that has just been described./ If we consider the international scene as a big marketplace where all initiatives must compete with each other and the best of them prevail, then the present situation can well appear satisfactory. Let us, on the contrary, and more realistically, consider the external world as the scene of very harsh clashes of interests, in which our current dismemberment conveys the image of a troop dispersed before even having met the test of battle. In actual fact, it appears quite evident today that the multiplicity of international relations and of the entities that deal with them not only does not render unnecessary the defining of a foreign policy, but, on the contrary, renders it ever more indispensable. Faced with economic crisis, faced with security problems, every country strives to mobilize its energies, define its priorities, and consequently to concentrate its efforts, during the time involved, on a few essential points. /In our own situation, France cannot escape this imperative. It is clear that we must maintain the unity and coherence of our foreign policy and therefore set limits to the current dismemberment of the resources we are required to commit, ensuring their compatibility with the policy orientations we adopt and permanence of the action undertaken./

The "presidentialization" of foreign policy, and hence the centralization of the decision-making process, is normal. But it must no longer result in dispersion at the level of its implementation.

Our present institutions provide a framework suited to the attainment of this objective. Various steps have already been initiated; their rationale should be pursued at two levels: That of the /juridical means for the coordinating of foreign policy/ among the governmental departments; and that of the /material means/ for effecting this coordination and hence for the upgrading and modernization of the French diplomatic instrument.

A considerable step was taken in 1979 in the direction of coordination of our foreign policy. The decree of 1 June 1979 redefined in depth the /responsibilities of the chief of a diplomatic mission./ Ambassadors, as the direct representatives of the head of state and of each of the ministers, and having authority over all the services of the state abroad, now have at their disposal the juridical means for ensuring the unity of our foreign policy in their country of residence. Now they must be given the material means to do so. With economy in mind, and as is done in the United States, the Ministry of External Relations should provide the logistical support of all administrative presence abroad.(19) Equivalent provisions should exist with regard to personnel.(20)

In Paris, the confused situation that reigns among government departments necessitates several clarifying measures. The first thing that needs to be done is to decide where the coordination of foreign policy is to take place. A presidential formula of the American type would involve the creation of a "foreign policy council" under the direct control of the Elysee, modeled on the "National Security Council" created in the United States in the immediate post-war period to remedy this same type of problem. A formula more in keeping with the spirit of the institutions of the Fifth Republic, which calls for the presidential function to be not operational but decisional and continuative, would be to /reaffirm in the legislation and in reality the interministerial coordinative function of the Ministry of External Relations./ This would avoid the contemporaneous existence of an overstaffed "National Security Council" and a Ministry of External Relations which, in the United States model, is more often than not at the origin of sterile bureaucratic strife and distressing delays.

A decree would be necessary to confirm the External Relations Ministry's mission of coordination and negotiation. It should be accompanied by measures of a financial order placing the main expenditures on activities abroad under this ministry's budget. Concomitantly, the structures of the Ministry of External Relations should be adapted to this interministerial task.(21)

With economies and streamlining in mind, the multiple administrative structures that have sprouted up in all the ministries for the purpose of operating abroad should be reexamined by the Office of the General Inspector of Finance or the Audit Office in the light of their cost and their effectiveness. Certain steps should be taken towards simplification. These would facilitate the remedying of the paradoxical situation that exists today, in which the principal entity responsible for foreign policy direly lacks the needed means while other "non-essential" structures are burgeoning beyond control.

Other measures could be instituted. The bill that is under study, relative to the merging of the former services of the Ministry of Cooperation with those of the Ministry of Foreign Affairs, will, if enacted into law, facilitate progress towards unification of our foreign policy.

To effectively carry out its functions, /the Ministry of External Relations must be provided with the necessary means to do so./ This small administration (6,637 employees in all categories in 1978) has succeeded, with a reasonable staff increase (1,548 employees) since 1948, in coping with an explosive proliferation of its tasks.(22) Today, only a stepped-up modernization effort, particularly from the standpoint of data processing and use of the most recent communications techniques, will enable it to avoid a staff increase and to maintain the flexibility it needs to perform its coordinative functions. In 1979, a 5-year plan to upgrade the Ministry's means was launched by Minister Guiringaud. It would undoubtedly be desirable, in the present circumstances, and after several years of meager budgets, to resume a program of this type that would equip the Government with the high-quality professional instrument it needs.

But it would also improve the unity of our foreign policy if those who define it and implement it were in closer contact with all their public and private operatives in the field. The administrative structures of the Ministry of External Relations are already in close touch with the enterprises and universities. Entities such as the Analysis and Forecasting Center carry on this dialogue in a systematic manner by consulting and bringing the officials of private firms and university researchers into close contact with their work. Such consultations could be put on a more regular footing, as has been done in Switzerland, for example, and in France on an exceptional basis by the Planning Commission, by creating foreign policy consultative committees on which recognized authorities in all walks of our social life would be invited to sit as experts and for a limited duration and specified task. It would also be desirable to provide for and encourage the moving of diplomats into the business world, as was advocated by Minister Cheysson.(23) It is equally necessary that the Ministry of External Relations diffuse, on a very extensive basis, the mass of information it has at its disposal with regard to foreign countries, and that it contribute in this manner to sensitize public opinion to our external imperatives.

/These are some of the conditions necessary for the unification of France's foreign policy/ and thus to equip her with a modern and effective diplomatic instrument. They do not involve a juridical or administrative upheaval, nor, for that matter, any major financial outlays. A decree, modeled on what was done in 1979 for ambassadorial powers, should redefine the functions of the Ministry of External Relations with respect to coordination and negotiation. Concurrently, administrative and financial cutbacks with regard to the international services of the different ministries should be instituted and would be the source of sizable economies. And finally, a budgetary outlay--limited by nature, since it would be based on a budget that represents 0.93 percent of that of the state--should be provided for. This would attest to /the state's intent to restore operability to a domain whose dismemberment is today incompatible both with France's long-term interests and with the immediate imperatives of her security and her external economic balances./ The Fifth Republic would, in this way, continue the ongoing upgrading of the state's structures, which, from the outset, has been its principal objective.

FOOTNOTES

1. Continued by some of Michel Debre's successors, and particularly by Louis de Guiringaud, Jean Francois-Poncet and Claude Cheysson.

2. Joseph Caillaux, "Memoires," Vol 1, Plon, 19422.

3. R. de Saint-Legier, "De Gaulle et le service de l'Etat" [De Gaulle and Service of the State], Plon, 1977: "Conduct of Foreign Affairs" pp 220 and 228.

4. These figures do not include the multilateral meetings of the African and European summit types, the bilateral Franco-British and Franco-German meetings, or the special trips (Beirut, funerals). Cf. Michel Schifres and Michel Sarazin, "L'Elysee de Mitterrand" [Mitterrand's Elysee], Editions Alain Moreau, Paris, 1985, p 200.

5. From 1981 to 1983, Washington, Rome, Madrid, Copenhagen, The Hague, UNESCO, Libreville, Kinshasa, Abidjan, ambassador-at-large in South America, Victoria.

6. The appointment of an industrialist as secretary general, the systematic appointment of university professors to the positions of responsibility in the General Directorate for Cultural, Scientific and Technical Relations.

7. Thus, for example, a legitimate question arises as to whether it is the role of the state and whether it is effective, in a country, to assign responsibilities to numerous teams of government officials for the promotion of exports, or whether this role should not rather be assigned to private entities with more determinative motives. This function is principally, and effectively, performed in the FRG, it seems, by the Chambers of Commerce.

8. "It is the dream of every service to represent abroad, by its own means, but always at the expense of the state, the interests it is responsible for defending" - Rene Massigli, "De quelques maladies de l'Etat" [On Some Disorders of the State], Plon, 1958, pp 31, 32.

9. For the first time, in 1985, the budget of the Ministry of External Relations is no longer the highest expense budget abroad. It has been displaced by that of Finance.

10. For example, in 1983, the prime minister addressed the UN General Assembly, a very isolated event in the tradition of the Fifth Republic, which reserves this type of intervention to the minister of Foreign Relations.

11. General Secretariat of the Interministerial Committee for European Economic Cooperation Matters.

12. Cf. "La puissance et les reves" [Power and Dreams], Gallimard, 1984.

13. The Capetians between the Emperor and the Pope; the "very Christian" Kings Henry IV, Louis XIII and Louis XIV versus the Catholic Hapsburgs; the progressive Third Republic and the "conservative" Russian Alliance; and General De Gaulle and the USSR.

14. By way of recent example, the misunderstanding between Jacques Attali and the advisers to the President of the United States, regarding the lifting of the embargo against the shipment of equipment for construction of the Siberian gas pipeline.

15. Since the start of the summits between the heads of state of the principal industrialized countries, there have been very few of them, and principally that of Versailles and that of Williamsburg, that have not been the source of profound disillusionments.

16. Alfred Grosser called Pierre Guidoni's mission "a total failure" as an example of personal diplomacy.

17. See J.-B. Duroselle's assessment of the quality of his work during a particularly difficult period, in "La Decadence" [Decadence] (1932-1939), Imprimerie nationale, Paris, 1979, pp 269-281.

18. Among the most striking examples: The dockets compiled by the bilateral bureaus of the DREE and the Ministry of Industry have the same use and the same content as those compiled by the Quai d'Orsay. A structure charged with placing French officials in the international organizations, and that reports to the prime minister, has for 3 years been duplicating the work of the Quai d'Orsay's service whose responsibility this is.

19. The /Administration Officer/ of an American Embassy provides the administrative support (pay, premises) for all the American services and agencies in his or her country of residence.

20. All budgetary positions abroad should be transferred to the Ministry of External Relations. All officials stationed abroad would thus be on detached duty with this Ministry. While fully respecting the specificity of the other ministries as third parties, this formula would facilitate the maintaining of an overall view of the French presence abroad.

21. In this regard, the secretary general of the ministry could be assigned the specific mission of interministerial coordination, which would be in keeping with the original intent, in that, the first holder of this position, created in 1915, exercised the function of providing administrative coordination in time of war. Moreover, each major directorate of the ministry should have the function of interministerial secretariat in its own domain.

22. In 1948, there were 65 countries in existence, versus 149 in 1978. The number of diplomatic and consular stations increased from 213 in 1948 to 317 in 1978. In 1948, France participated in 20 international conferences, and in 290 conferences in 1978. In 1948, 90,000 telegrams were exchanged between Paris and stations abroad; in 1978, this figure totaled 1,400,000.

23. But contradictory measures have been passed in this domain. Some sought to organize this move to the private or para-public sectors; others laid down a whole list of incompatibilities with respect to activities of diplomats in their former countries of residence.

9399
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POLITICAL FRANCE

CFDT MAIRE EXPLAINS NEW DOCTRINE

Unions Need Reforms

Paris LIBERATION in French 5 Mar 86 p 2

[Article by Martine Gilson: "Edmond Maire Clears the Tables of Union Law"]

[Text] Edmond Maire has just released his latest union doctrines--discreetly and on his own recognizances--in an in-house CFDT newsletter. In it he sweeps aside the three pillars which had supported his organization since 1970, and speaks of business firms as places of cooperative opposition, where the bosses are no longer all black nor the workers all white. In the space of a few pages he wipes out all the basic anti-capitalist convictions (See p 2), and these pages will be food for thought for anyone who feels that he has exhausted his thinking on this subject (See p 3).

Breaking the taboos of the trade union bureaucracies has never frightened the secretary general of the CFDT. He does so once more in an article published in the newsletter CFDT TODAY, rejecting indiscriminately the "designs" that continue to clutter the table at sectional meetings, including those of the CFDT concerning business firms, anti-capitalism, the individual and of course trade-union activity. Thus he personally knocks over the venerable pedestal on which was mounted the press confederation. "That was the era during which we were very much constricted by the events of May '68, when the CFDT was entering, with youthful spirit, upon its socialist career. Things were not so bad, but we had a Manichaean view of capitalism: all black."

But to return to 1986, the CFDT, according to its secretary general, must today "examine much more in depth its conception of business firms.... To deny the specific function of the CEO leads to a dead-end.... The function of CEO, a specific, legitimate and permanent function, does not strike us as capable of ensuring a broad collective deliberation." Edmond Maire takes up the distinction in terms of two systems of logic, that of the worker and that of the director. Now mind you, the recognition of these two logical systems "in no way leads us to come out in favor of joint management." Quite the contrary: "Two systems of logic are therefore basic to our thinking. But to stop there would be a bit short-sighted." Between these two systems, there cannot but be "tensions," that Maire would henceforth call "cooperative opposition"--a confrontation that is "explicit, open, between two systems of logic called upon to work together, each with its legitimate existence and each one in harmony with its own perspective. Neither trench warfare nor sacred union." A happy medium of sorts.

"Capitalism Is No Longer What It Used To Be"

A happy medium that leads Edmond Maire's thoughts straight to "anti-capitalism." Of course "battling bosses" still exist both in France and in the rest of the world. But notes Maire, "Capitalism is no longer what it used to be." No more Manichaeism, then. No more all white on one side, that of the workers, and all black on the other, that of the bosses. The class struggle no longer explains everything. A plague on those old boasts of a break with capitalism: "A dangerous illusion and one that is not operative." "Making this first remark," pursues the secretary general of the CFDT, "does not lead us to a surfeit of what is fundamental to our anti-capitalism. We are even all the stronger and better founded to combat the excessive, abusive character of the power that the CEOs of French business firms arrogate to themselves, in that we recognize that they have a specific and legitimate function." And Maire then brings up all that has changed in the narrow definition of the Marxist version of capitalism. In speaking of private ownership of the means of production, he says that the distinction "has gradually taken place between property rights and management rights in a slow progress towards individual democracy." The CFDT still believes in the usefulness of "instigative democratic planning," but it recognizes "the irreplaceable dynamism of the market as a factor in modernization and adaptation, and as an ultimate guarantee of respect for individual choices." "We are thus not back at the level of the original brand of capitalism, nor are we subject to any of its principal aspects. The law, the employee under contract and the relationship between permanent forces have limited what was arbitrary, reduced abusive power and imposed a partial accounting on other criteria of economic behavior." No more basic anti-capitalism, then, but onward to an anti-capitalism "without oversimplification."

No Taste for Totalitarianism

"For a long time now we have not sought the total suppression of private ownership of the means of production," says Maire. "We do not want the market to disappear. We do not dream of a total disregard for the social division of labor, since, not having any taste for totalitarianism, we do not aim at the impossible situation where we are at one and the same time governors and governed." A plague on all absolute visions; "We reject any world vision that claims to be transparent and similarly any project of a capitalist 'system' that is perfectly self-regulated, and in fact any achieved socialist 'system.' These two poles," he says, "are equally favorable to totalitarianism."

A Collective Updating

Capitalism is no longer what it was? Trade unionism must become something other than what it is. The goals of the CDFT have certainly been confirmed: to change work practices and promote another type of development. But that no longer suffices. And the holes in the fabric foster a certain scorn of the individual, with a capital I. "We have granted an exclusive priority to the forces of unification; it is high time to make way for legitimate expectations." Thus a close-up on the individual as well as on the individualization of salaries.

"The categories of labor are most abusively equalized today: the highly qualified worker is paid on a par with the unskilled laborer." "When workers wish to see the reestablishment of a workers' hierarchy, they express the desire of existing on their own and having their own potential recognized." The return to individual aspirations, according to the secretary general of the CFDT, in no way implies an abandonment of the solidarity so dearly cherished by the central office. "To act on behalf of the individual, on the other hand, in no way prevents a person from seeking answers capable of binding the individual to the collective or forms of individual stimulation which encourage cooperation." While nevertheless remaining bold enough to disengage themselves from the excesses of equalitarianism, trade union organizations will find it sufficient to work up for themselves a few assertions that express recognition of the individual, among others, the right to professional training or the evaluation of the individual and of his "assent."

No longer will the CFDT map out its route on the basis of pre-conceived guidelines, without sacrificing on the altar of modernization the fundamental goals which "our collective history" established for union activity. It is at such a cost, according to Edmond Maire, that the trade unionism of the year 2000 will build its future. This personal contribution of the secretary general of the CFDT should be interpreted as a "collective updating" of the CFDT doctrines, a revamping which should not be made without certain painful changes inside the central office.

'Courageous', 'Provocative' Attitude

Paris LIBERATION in French 5 Mar 86 p 3

[Article by Pierre Briancon: "The Touching Trip to the End Goal of Self-Criticism"]

[Text] A long-established rightist-leftist consensus hails the "courageous" stance of Edmond Maire. Whether it be strictly trade-unionist or political, understood in the broader sense, whether it has to do with matters considered classic, within which others preferred to restrict union intervention or with the questions that disturb public life (such as the debate on severity of interpretation, eliminated by Maire before the government laid hands on it), this behavior had always been accompanied by a slight dose of masochism which--by force of tradition--had marked the life of this central office, always a bit peculiar and lagging behind, even in its own periodic re-centerings.

The unprecedented and persistent crisis in French trade unionism, occurring simultaneously at the base (the membership) and at the summit (the ever more controversial representative functions of the central office) has made the stance of the CFDT, and more particularly that of Maire, look pathetic and touching. And this pathos today seems to take precedence over the former courage, like a cocktail which is altered by an excessive amount of one of its ingredients, like a glass of pastis to which water is being incessantly added.

It is always a step ahead in the reckoning deemed desirable in the case of economic realities, but never behind when it comes to questioning the future of trade unionism, or analyzing its own past conduct. But what appears at the outset to be a bold departure--"for a trade unionist"--may, in terms of the progress thus made, be interpreted as an ever clearer rapprochement of positions that have become progressively dominant in a society that moved ahead more rapidly than the average unionist self-analyses, and more rapidly than Edmond Maire himself. And that in fact is the crux of the problem.

And at the same time, what may appear as intra-union "courage" is transforming itself into a pure and simple social alignment. The movement is confused, and progress and regress are muddled together. Or put another way, the road followed by Edmond Maire is beginning to look like a form of impoverishment, in that one sees clearly what trade unionism is losing as it more and more frequently endorses the values "of businesses" by insisting on "individualism," by warning that the "anti-capitalist" stage is obsolete. But it is not yet clear, apart from the pleasure of lucidity, what has been gained by this, except for increasing the critical disorder of things.

It is only with great difficulty that one could deny that Edmond Maire's brand of reasoning harasses the trade union movement, without at the same time ignoring the individualized nature of its self-analysis, which the article in CFDT TODAY takes into account. Who else but Maire could get people to read 20 leaflets filled with complicated questionnaires, couched in a second-leftist French that is absolutely untranslatable into any other language?

But if one reads on to the end, it is so that one may know how far he will go. How far will he drag out this exhibition, pushed to more absurd lengths of futility than anything that had preceded it? How much pleasure can there be in trampling down the older among the more sacred cows?

Maire's lucidity gradually increases its share of destruction and leaves in limbo the questionnaires, which are finding fewer and fewer answers. To speak of rehabilitation of the CEO's function at a time when--to move ahead--Tapie is gathering more than 6000 people at Bercy for his televised show, is tantamount to being several wars too late regarding the movement of a society; it is also tantamount to holding to a line of talk which no longer addresses itself to anyone but the unionist bureaucracy, which alone remains to be convinced, without furnishing the followers already abandoning ship with the reasons for reversing their race home.

If Maire's lengthy text can stand its ground at all today as a significant event, it is because he makes note of the impasse by abandoning any attempts to get out of it--except for insisting on the ritual references to the need for more in-depth research.

The contradiction in Maire's line of thought is that he is claiming to renew trade unionism by holding to a philosophy that seems more and more limited to his in-house use, whereas beyond CFDT horizons it is clearly associated with the majority. The article published yesterday sounds like a last will and testament, which would be the final destination of a trip to the end goal of union self-criticism. Others will no doubt have to clean up the ruins.

8117
CSO: 3519/134

POLITICAL NORWAY

POLL FINDS MIDDLE PARTY VOTERS PREFER COALITION WITH RIGHT

Oslo AFTENPOSTEN in Norwegian 15 Mar 86 p 3

[Article by Alf Seeland: "Greatest Confidence in Nonsocialist Government"; first paragraph is AFTENPOSTEN introduction]

[Text] A majority of 53 percent of the voters believe that a constellation of nonsocialist parties is the most stable government alternative. The existing three-party cooperation has greater confidence. Thirty-four percent believe that it is most realistic with the Labor Party [AP] alone or together with the Socialist Left Party [SV] in the government. Only a declining minority of voters in the middle parties desire to cooperate with AP and SV, while there is confusion in the Christian People's Party [KRF] in its appraisal of the Progressive Party [FRP].

These main features came out in a poll conducted by Gallup/NOI [Norwegian Institute of Public Opinion] for AFTENPOSTEN, and the voters were asked which constellation has the greatest chance of supporting a stable government alternative. They were also asked which government alternative the voters wanted, and finally what attitude the government parties should take toward FRP.

Not a Conservative [H] Government

A purely H government was considered realistic by only 10 percent of the voters, and only 18 percent wanted it. In political quarters it is only Carl I. Hagen and his group who have pushed this possibility, and it is typical that less than one-fourth of H voters see this as realistic, while one-third of FRP voters do. Forty-eight percent of H voters desire that the party govern alone.

Despite a significant spread in the answers it is today's government cooperation which wins the greatest confidence with 31 percent, while 12 percent believe that Hagen and company could advantageously be taken in. Twenty-one percent have confidence in a purely AP government in the current situation, and 13 percent believe that the largest opposition party can take SV with it into the government. Twenty-eight percent desire a pure AP government, while 15 percent want SV included.

Message to Center Party [SP]

Only seven percent have confidence in an alternative with AP, SV and one of the middle parties, and only six percent desire such a solution. With the proviso that SV as a partner could have frightened a number of middle party voters, one finds here one of the poll's most interesting features: None of the SP voters have confidence in such an alternative, and only four percent desire it. That is a message that the national directors of the SP are taking with them when the party assembles in the next few days. After the recent debate about "counter forces" within the party, which are notorious within certain representative circles, it turns out that 65 percent of SP voters prefer the formation of the present government, and 23 percent want to try and have Hagen in the cooperation.

The greatest satisfaction with the existing government cooperation is found in the KRF. Fully 75 percent find the three-party cooperation most desirable, and 71 percent believe that it is the only realistic constellation. In this party five percent want to cooperate with AP/SV, while eight percent find such a solution realistic.

A Lesson

Seen in total the poll is a lesson for nonsocialist party leaders. Their voters have, to a greater extent than spokesmen for the middle parties, realized the necessity of the budget agreement which was entered into before Christmas, and which guaranteed the government's existence. Nonsocialist voters clearly prioritize the cooperation between the three parties, but they are also showing a clear desire to regulate in a sensible way the relations with the middle parties, something which most observers also see as a precondition for the Willoch government to survive the next budget debate.

Sex, age, dwelling place and education do not make a dramatic difference in the poll. As expected, confidence in a pure H government--24 percent--is highest in Oslo/Akershus, and altogether 67 percent of LO [Federation of Trade Unions] members desire a socialist government. On the other hand an absolute majority of men recognize Hagen's place among the nonsocialist majority, while only 37 percent of women take the same attitude. This corresponds to previous polls and election results which indicate that FRP has a decisively stronger standing among men.

One does not find the modest degree of support for an AP government together with one of the middle parties in the countryside of Ostlandet and in the newspaper OSTLENDINGEN's field of fire, but on the contrary in Trondelag and North Norway. But even there the support is only 10 percent.

And Carl I. Hagen and his party should know: The age group 15-29 does not show higher numbers for the desire to have the party in the government, or for recognition that FRP is a part of the nonsocialist majority--in the parliamentary sense.

Unrealistic With AP

Socialist voters understand the difference between the desirable and the attainable. In the poll 60 percent of AP voters look forward to AP taking over the government and 22 percent desire it in cooperation with SV. But only 43 percent believe that this is realistic at this time, and the same 22 percent believes that they can move into the government offices together with SV.

These are the figures on the SV side: 15 percent believe in a pure AP government, but only 13 percent desire it. A government cooperation with SV is something that 47 percent believe in, while 67 percent desire it.

Support from LO members is a little less enthusiastic: 31 percent believe in, and 45 percent desire a pure AP government. Government cooperation between AP and SV is considered realistic by 22 percent within LO, and the same percent desire such a government solution.

A socialist government cooperation with one of the middle parties is considered as both unrealistic and undesirable by most--in reality only one in 10 voters believe that this has any merit.

The decisively greatest support for a socialist government exists among voters with only a grade school education, while AP is still having difficulty getting support from voters with higher educatiosn.

Also among the socialist voters there is a strong degree of recognition that FRP belongs to the parliamentary foundation of the Willoch government.

FRP Part of the Majority

Almost half of the voters in the poll--45 percent--believe that it should be recognized that the FRP is a part of the nonsocialist majority, while another 18 percent believe that Carl I. Hagen and his group should be drawn in to the government cooperation. Thirty-three percent want nothing to do with FRP, but this figure also includes the socialist voters.

Among H voters 25 percent believe that Hagen must be in the government, and 55 percent believe that FRP belongs in the majority. More unexpectedly, only 38 percent of FRP voters desire the party to enter a nonsocialist government, while 14 percent want to remain totally isolated in Norwegian politics.

The greatest aversion to FRP is found, not unexpectedly, in AP and SV, by 43 and 47 percent respectively.

A more unexpected spectacle is shown by KRF voters. After the party leadership spent much of its time rejecting Hagen and everything he represents, it turns out that the party is split into three parts: 23 percent want Hagen in the government, 35 percent recognize that FRP is a part of the nonsocialist majority, while only 37 percent turn their back on the two-man group in the Storting.

Among the SP voters 14 percent want FRP in the government, 56 percent recognize that the party is a part of the nonsocialist majority, while 28 percent turn their backs on FRP. Also in this party the leadership has thundered that it will have nothing to do with FRP, and the poll confirms on this point what has so often been experienced: There are differences of opinion between a party's representatives and its working people and voters.

9287
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LEADERSHIP CHANGES MAY HIGHLIGHT UPCOMING PARTY CONGRESSES

Oslo AFTENPOSTEN in Norwegian 15 Mar 86 p 3

[Article by Bjorn Talen: "New Leaders--and Policies?"; first paragraph is AFTENPOSTEN introduction]

[Text] The program for this spring's national congress season is not so full as in an election year. Neither the Labor Party [AP], Center Party [SP], Christian People's Party [KRF] or the Socialist Left Party [SV] will have a congress this year. But nevertheless there will be national congresses every single weekend from Easter through April. And when it is all over the Conservative Party [H] will have moved out two-thirds of its top leadership, the Liberal Party [V] its leader and perhaps its policies, and who knows where the Progressive Party [FRP] will jump next time.

The first is FRP, which is holding its congress in Oslo on 5 and 6 April. Nobody will run the risk of provoking Carl I. Hagen into putting his leadership position at stake, but there will be a number of waves over the party's standing and performance in parliament. For the moment neither Hagen nor the party are in special focus. Actually it is the vice chairman Hroar Hansen who, with his Sunday paper and fight with the typographers, has most often been in the media.

Most interest is focused on the largest government party which is meeting the weekend after, also in Oslo. Chairman Erling Norvik will then be thanked for his long and strong inputs to the party, and Rolf Presthus will take over the blue mantle of leadership. The nominating committee has also recommended the reelection of Kaci Kullman Five as first vice chairman, while the nomination of the popular Tromso chairman Erlend Rian as the new second vice chairman must be interpreted as an accomodation to the strong demands out in the party for better representation for district Norway in the H leadership. Rian will replace Arne Skauge, who has refused reelection and will probably be the new finance minister.

H has already earlier this year acquired both a new secretary general with Svein Gronnern and a new chief of information with Arve Mathisen. Only time will tell how strong the new team will be. But the Conservatives' planned new freedom campaign will get its starting shot at the congress, and that will give the debutantes a fine reason to show their faces. Money problems, however, can cause troubles for the new leadership and limit the possibilities for getting maximum political benefit from the freedom campaign.

The Liberal Party congress at Haugesund the following week will hardly have as great importance for the nation. But the top leadership of this little party is also of certain interest. Odd Einar Dorum will be followed as chairman by Arne Fjortoft, in whom great expectations have been placed. The congress will give him a reason to show himself. More important than the personnel shift is the debate about which political course V will follow. The report of the "Havari [Shipwreck] Commission" will be the basis for discussion, and it is an entirely open question as to how V will or can again be noted as a clearly nonsocialist party. Large groups in the party want to put the restoration of the liberal profile first on the agenda, while others fear that will go too far. The outcome can be decisive for the party's appeal to broader voter groups and thereby also the possibilities for an eventual comeback in the Storting.

In any case the Liberal People's Party [DLF] will closely follow what is said and done at the V congress. It will have great influence on what position DLF will take on cooperation with V for again raising a kind of liberal center alternative. Therefore it is appropriate that DLF concludes the season with its congress at Asker 26 and 27 April.

9287
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MILITARY FEDERAL REPUBLIC OF GERMANY

LACK OF PROGRESS ON NAVAL AIR DEFENSE MISSILE CRITICIZED

Bonn WEHRTECHNIK in German Mar 86 p 13

[Commentary by Wolfgang Flume: "RAM--The 3-Year Missile]

[Text] It has been obvious for a long time that something must be done for air defense of the Navy's ships and boats. Efforts to develop an air defense system for this purpose date back to the 1970s. KUMA and Flam-80 are just two code names for studies behind which some quite modern looking missile systems were hiding--among other things, vertical launch had been proposed. But every new development is accompanied by great expense which is impossible to bear by one nation alone. Small wonder that the American siren song found a ready following, when a pat solution was proposed: all you do is take some proven components from SIDEWINDER and STINGER, add a few new components, which can be developed quickly and cheaply, and there you have the fire-and-forget anti-missile system for the Navy. Who would have turned this down, considering the nominal German share of development costs of about DM 100 million? And the system would be operational in 3 years--after a few minor test flights.

No one can be blamed for having accepted this tempting offer. Today, many long years later, the technical decision for RAM is still valid--but all pertinent factors have changed. Development is taking considerably longer than had been anticipated, but most important: the cost of the 49 percent German share has already grown to DM 300 million. Another DM 240 million is being asked for today (who knows how much more tomorrow) to bring the development to what is hoped will be a successful conclusion. The Danes, who originally had a 2 percent participation, have given up on it and have bailed out.

Little good could come from putting the blame for all this on the general contractor, General Dynamics, which is under heavy attack in the United States anyway--it would be more useful to take a critical look at the state management organization.

The United States is unquestionably the leading nation, despite the few participating German engineers, thus creating what is referred to as an "integrated" management team. This in itself would not be so bad, if the U.S. Navy (which wants to use RAM as a backup for some of its SPARROW launchers) were fully supporting the program. In contrast to the German Navy, which has a crying need for the RAM, this is not the case on the other side of the Atlantic. We are now bearing the consequences of this and have learned this lesson: in his very own interest, only he should be the leader who has the most urgent need. And if that cannot be done, for whatever reason, and there are problems, the partner must quickly and loudly raise hell--sweeping things under the rug and appeasing accomplishes nothing--despite all the occasionally appropriate "diplomatic" conduct.

Small wonder that the holders of the purse strings--budget people and members of the parliament--have become skeptical of the Navy's statements. Are the present requests for money truly the last ones? And what assurance is there that the technical problems can be satisfactorily resolved--the project has after all been beset by problems for years? Are there any alternatives, and if so, what are they?

It is in the Navy's own best interest to stick with RAM, because from the point of view of performance capability and ease of installation aboard destroyers, frigates and speedboats it is unequivocally the most suitable Seaskimmer defense system. If RAM were to be abandoned for whatever reasons, a replacement for it would be difficult and would surely create a great deal of controversy. Compared with RAM, every other system has its disadvantages, especially with respect to integration aboard ships and boats. This is true for the SEASPARROW (which is already partially operational in the Navy), as well as for the French CROTALE-NAVAL, the British SEAWOLF and particularly the Israeli BARAK. The race would then have to start again from scratch--perhaps even for gun systems, of which the Navy is not at all in favor at this time.

Now is the time for some very careful decisions. In any case, the armed services appear to have learned one lesson from the RAM dilemma. As the chief of staff of one of the services said to WEHRTECHNIK: "I never want to see another guy who proposes a system to be glued together from previously proven components."

For all the criticism that is being leveled at RAM, there is one aspect of the program that is free of problems: RAM is constant and therefore calculable. The statememt, made years ago, that RAM would be operational in 3 years, is still valid today.

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OFFICERS FIND ARMY'S SMALL SIZE MEANS STRESSES ON CAREERS

Helsinki SUOMEN KUVALEHTI in Finnish 7 Mar 86 pp 8-10

[Article by Jukka Ukkola: "Officers' Career Course Is Narrow and Crooked"]

[Text] Finland has a small, poor army, but it is not so small and poor that we would get caught up in a crisis if a couple of generals were to retire earlier than usual.

Nevertheless, officers seem to have a bit of difficulty in staying serious amidst improvement plans, troublesome promotion and paperwork.

When it recently became known that nearly 10 percent of Finland's generals (that is, two major generals) are going into "early" retirement, people began to suspect that there is something so wrong in the military that the celebrated "v-curve" among recruits is rising in the higher echelon or that civilian mentality has extended itself to the generals.

They dispute such claims in the Armed Forces and the Defense Ministry. Both Armed Forces Commander Jaakko Valtanen and Defense Ministry Office Chief Aimo Pajunen let it be publicly understood that personal reasons and chance were involved.

It just happened to be the case that the resignations of two generals, such resignations being rare in themselves, occurred at the same time. General Staff equipment chief Maj Gen Uolevi Anthoni felt that he had gotten into a credibility crisis since he was not, according to expectations, appointed General Staff military economy chief, but intelligence inspector Col Raimo Penttinen was promoted to that post.

As for the commander of the Northern Finland military district, Maj Gen Erkki Laatikainen, as early as a year ago he announced that he would retire next summer for family reasons. If he had wanted to, he could have gone into full retirement as long ago as 11 years ago. The fact is that retirement is not dependent on age, but on years of service. From the rank of major on 25 years of service are required for full retirement.

Disgustingly Undramatic

Valtanen no more than Pajunen wanted to say any more about the affair. Pajunen merely reminded us that the historian's biggest mistake is to presume that things that happen at the same time are the reasons for or the consequences of others.

The controversy made Laatikainen laugh, since "newsmen write about matters about which the poor things don't know anything at all."

"This is disgusting. It's downright galling, since there is no way that this resignation could be construed as dramatic. I certainly am a staunch supporter of the Finnish Government; I will after all be in service or in the reserve. I am simply putting on a felt hat, will be moving my residence to Helsinki and will sit here wondering why these people in Helsinki are always so busy, why they're always in such a godawful rush."

Laatikainen is departing for civilian life in grand style since one of his last official duties will be a national Armed Forces parade with flags unfurled in Oulu on 4 June. "It will be a good-looking affair. I won't be leaving as if it were from a hut made of pine branches."

Officer and Office Worker

So, although a sudden revolt of the generals is not in progress, discussion has recently been engaged in which indicates that Finnish officers are not quite satisfied. The course their careers follow is not at all as straight as it seems on the surface, they are rather short of help and they have been especially burdened with considerably more office work.

The change in the nature of their work may be traced back to as early as 1970, when officers were transferred to office posts, that is, "a group of professionals who were averse to being ranked in the same category with office workers were forced to be like them."

Particularly in the initial stage, a modern peacetime officer's job is not especially turbulent, unless handling paperwork can be considered to be such: A military commander's first task is to learn his unit's SOP, standard operating procedures, so that he can do his job properly and fill out forms.

In the old days an accounting of per diem allowances and supply strength was sufficient, but in the present-day bureaucracy keeping track of the number of hours worked, reporting and auditing, among other things, are required at each level. Papers crisscross one another between units and staffs like missiles.

From Impoverishment to Self-Criticism

They also feel that Armed Forces policy has changed since General Valtanen became commander. Right from the start he let it be understood that he had no intention of continuing to complain about the scantiness of defense appropriations, but that he would try to correct the establishment's deficiencies through self-criticism.

This may, for example, mean closer screening in appointments than before, which may lead to promotions over the heads of others. Some people suspect that the number of those who are frustrated and wish to resign is increasing.

In the recent disputes about appointments, the Officers Union has drawn attention to the position of chief army chaplain. Jorma Laulaja, the parish priest of Kurikka, was appointed to it over the heads of Officers Union members, army chaplains. In the union they suspect that from now on an army chaplain's career will not be of much interest if there are no hopes of advancement.

Second-Class Officers?

Last fall in the Officers Union they rather sharply criticized plans for improving the Armed Forces, especially training.

The union has been concerned before that esteem for officer training is declining because of the uniform officer cadre system: Administrative officers can can to some extent be promoted more rapidly than those who have attended the cadet academy.

The uniform officer cadre system has also stripped officers of symbolic values like first-class train tickets, their own swords and the so-called command lanyard.

"A great deal of serious effort, his leisure time and the application of his resources are demanded of an officer for him to be able to even think of trying for the next sequence of studies, like the military academy. If the desire to improve himself is smothered, the quality of his service will most certainly decline — exactly the opposite of what is aimed at in improvement plans," said Officers Union information secretary Maj Kari Norkola.

Elsewhere in this magazine (on page 36) the commander of the Karjala Artillery Regiment, Col Aimo A. Niemenkari, writes about the organization of the Armed Forces and problems involving their own types of weapons in an exceptionally public fashion since "the movement of memos and proposals through official channels stops at the point where they do not agree with the prejudgments that have been made."

Colonel Niemenkari also asks whether the present-day general managers on the General Staff are military commanders or people who busy themselves with details and do not know how to plan the future.

Career Channel Narrows

One of the reasons behind the griping is the uncertainty of career advancement.

The promotion model for officers is not a pyramid as in many other fields, but "salmiakki" [ammonium chloride] lozenges [flat, diamond shaped, ascerbic cough drops]. This means that up to the rank of captain, promotion is almost automatic, but beyond that the career channel narrows suddenly. Some officers retire after 20 years of service as a captain with a salary of from 6,800 to 7,800 markkas.

Officers with higher degrees, that is, who have graduated from the military academy, get to be majors and most of them lieutenant colonels too.

However, it may be tough to get promoted to colonel, with a salary of over 13,000 markkas — to say nothing of the level of general, to which one is usually raised at about the age of 50, sometimes a bit before that. A major general's salary is 15,623 markkas.

They do not, however, feel that there is the sort of "doctor plug" in the Armed Forces that university people, for example, have complained about. The Officers Union does not want any more general's positions than now either, provided that only "the best men are chosen."

Nor does the union favor the new rank of colonel first class that has been proposed either. If something is needed, let them rather create, say, brigadier generals — and them primarily for UN troop needs, they assert in the Officers Union.

Generals Are of All Sorts

Actually, no one can say in advance what sort of officer will become a general. In principle, of course, "natural leadership ability" is required, but in addition many special aptitudes, since the tasks generals perform have also now gotten to be very much specialized, particularly in peacetime.

All told, the fundamentals of appointing officers are largely the same as in many other fields: The Armed Forces make the proposals and political leaders the appointments.

General Pajunen defined the basic qualities of a Finnish general in a very loose way: "Some are fast and others slow. Some are calm and others high-spirited. Some are short and others are tall. Most of them are of average size."

[Box, p 10]

The "Salmiakki" Model

The appointment structure for officers determines the rate and limits of promotion. In principle the number of posts is not increased; rather, each course of cadet studies prepares young officers at roughly the same rate older ones retire, about 100 men a year.

Because of this "salmiakki" structure, there is plenty of room for them to be promoted to the ranks of captain and even major, but their careers have considerable difficulty in advancing beyond that.

There are altogether nearly 2,700 officer's posts in the Armed Forces, the Border Patrol and Coast Guard and the Defense Ministry, distributed as follows:

Second lieutenants	261
First lieutenants	535
Captains and lieutenant commanders	832
Majors and commanders	672
Lieutenant colonels and captains	250
Colonels and commodores	88
Major generals and rear admirals	14
Lieutenant generals and vice admirals	8
Generals	1

In addition to this, in the Defense Ministry there are some administrative and command posts that require given officer grades.

11,466
CSO: 3617/84

WOMEN'S ORGANIZATION HEAD: INCREASE FEMALE JOBS IN MILITARY

Helsinki UUSI SUOMI in Finnish 7 Mar 86 p 3

[Letter to the editor by Aune Saloheimo, chairwoman of the Finnish Women's Association, Ltd.: "Most Women Want to Participate in National Defense"]

[Text] Finnish women's opportunity to obtain information on national defense and participate in national defense tasks appears to be a problem that is difficult to resolve. UUSI SUOMI recently discussed this matter in its columns. Our country's oldest women's organization, the Finnish Women's Association, has once again discussed the topic.

Women's status and duties under exceptional circumstances have been studied in government committees since as early as the 1960's. Once committee after another has felt that it was necessary to clarify women's status. Among others, the parliamentary state-of-readiness legislation committee appointed in 1977 laid emphasis on the importance of training women for missions under exceptional circumstances.

In their statement in 1979 government account auditors said that "a women's work force was needed in the Armed Forces for tasks performed without weapons in peacetime and wartime." In its 1981 report the Third Parliamentary Defense Committee stated: "The committee feels that a separate study is necessary of women's status and the tasks suited to them in the Armed Forces."

In his reply to a parliamentary interpellation concerning the holding in reserve, training and drafting of women into service, Defense Minister Veikko Pihlajamaki promised that a permanent committee for the above-mentioned matters would be formed before the present administration was over.

General Jaakko Valtanen has said that holding women in reserve and training them for tasks in times of crisis will depend on the will of political decision-makers. The present Parliament has begun its last session. Will there be enough courage and mutual understanding in Parliament for them to be able to discuss the state-of-readiness laws that are technically ready at the Justice Ministry?

Most Finnish women are waiting for the state-of readiness laws to be discussed and also for women's status to be clarified in connection with that.

This year Finns will be celebrating the 80th year universal and equal suffrage has been in effect. The first women in Europe with the power to vote, Finnish women, were the trailblazers of women's status and rights for decades. Now we are lagging behind the women of the other Nordic countries and Soviet women in many things, among them in our awareness of security policy.

Most Finnish women are certainly desirous of bearing their own responsibility for the defense of the nation in concrete ways as well. Women want to know more about our security policy and opportunities to participate in national defense tasks in both peacetime and times of crisis.

It is especially regrettable that the equality affairs committee does not understand that equal rights also presuppose equal obligations in the handling of our society's legislative affairs.

11,466
CSO: 3617/84

DETAILS ON ARMS-CARRYING FREIGHTER SEIZED IN AEGEAN

Athens I KATHIMERINI in Greek 28 Mar 86 p 1

[Text] The investigation regarding the arms and ammunition seized on Wednesday [26 March] afternoon off the island of Karpathis by patrol boats of the Port Corps is continuing in deep secrecy. The name of the freighter that was seized is West Lion. A total of 80 tons of bullets, 200 tons of reinforced dynamite (TNT), 24 automatic UZI guns, 1 helicopter, and 8 fuses were found on the ship.

The ship, which was registered in the Cayman Islands, had been noticed in the early morning hours of Wednesday by elements of the Port Corps of Siteia. It was anchored near the shore and the crew was busy changing the name of the ship from Kapetan Vlasis to West Lion. The officers of the Port Corps boarded the ship and demanded an explanation. The captain, Vlasios Tzivitzis, claimed that the ship had mechanical trouble. However, the moment the officials departed, the freighter set sail immediately! It was not long before the patrol boats of the Port Corps caught up with it and stopped it.

Upon examination, the ship documents showed that the freighter was carrying ammunition. It was, therefore, taken to Agios Nikolaos and the Ministry of Merchant Marine was notified. Later that night a group of officials from the Ministry led by the head of the Port Corps arrived in Agios Nikolaos.

To date, the investigation has shown that the freighter loaded the ammunition in the port of Ashdod in Israel. It then went to Mersin in Turkey, where it loaded chickpeas and cumin. It then returned to Ashdod, loaded again and departed.

The captain of the ship and the first engineer, an Austrian citizen, declared that the destination of the cargo was Portugal, Guatemala, and other American countries. The crew is made up of seven Turkish sailors and three Filipinos.

Meanwhile, our newspaper has contacted by telephone a Haifa representative of Paul (Wiseman), who is shown to be the forwarder. According to Mr (Wiseman)'s office, the cargo is perfectly legal and the shipping documents are "clean."

When asked about the destination of the ammunition, Mr (Wiseman)'s representative only stated that "the destination makes absolutely no difference. The arms were loaded in totally legal fashion."

However, according to information, the seizure of the ship was carried out in accordance with the (very old) set of laws forbidding the passage of ammunition through Greece without previous permission from the Ministry of National Defense.

It is believed, however, that the cargo must be legal, since it is well known that Israel exports arms.

/9365
CSO: 3521/119

ALLEGED PRESENCE OF SOVIET SUBMARINES IN GREEK WATERS

Athens I VRADYNI TIS KYRIAKIS in Greek 23 Feb 86 p 14

[Text] The intense Soviet activity that is being observed in Greece lately--and especially in "hot" spots of the Aegean--is being confirmed by the two Russian spies who defected in Athens and asked for asylum in the West.

As a matter of fact, it has now been proven that the detections made by Greek submarines and destroyers were correct, despite the security measures that the Soviets had adopted to prevent their movements from being detected in the Aegean. However, there is evidence of something even more serious:

That is, the Soviet Union, with its submarines, spies, just a stone's throw away, on Greek airfields and harbors, just as it does in Sweden. And it is not strange that in both countries the Socialist governments have not shown, until now, any signs of concern or protest for these provocative appearances of the Soviets.

A few months ago, the captain of a small fishing boat saw, while he was hauling in his nets, that his vessel was changing course and had picked up speed, and a few minutes later the steel cable broke. The captain's log was the object of study by Navy officers in light of the detections that had been made by Greek submarines in "hot" areas of the Aegean.

It appears, however, that the Soviet submarines, which roam the Aegean, are not merely one or two. There is an entire flotilla to the south of Crete in international territorial [as published] waters.

Target

One morning the men of the destroyer saw a "surface target" that looked like the conning tower of a surfacing submarine. The doubts were dispelled by sonar. The destroyer "Sakhtouris" located the foreign submarine that was surfacing ...

The Soviet submarine was a nuclear [as published] one of the "Foxtrot" class and was spying in the Aegean, especially in the area where sorties of aircraft from the military airfields of Larissa and Ankhailes take place. The next day it was photographed from the air between Limnos and Tenedos.

Viktor Goudarev, the Soviet agent who was a member of Section "T" (Technology) of the First Chief Directorate of the KGB, is expected to solve the mystery about the movements and interests of the Soviet submarines on "patrol."

Six Submarines

The naval vessels that patrol the Aegean because of the "danger from the East"--as Mr. Papandreou says--regularly find Russian vessels, especially submarines that monitor the movements in the area of the islands. Six submarines of the "Foxtrot" class, which carry missiles with nuclear [as published] warheads, have been located and recognized by Navy officers. The Soviets monitor mainly the movements of aircraft off Limnos and the sorties of our aircraft over the Aegean from the airfields of Ankhialos, Larissa and other military areas.

Initially, the "presence" of Soviet nuclear submarines in the Aegean and the Ionian Seas was discovered in 1973 by NATO aerial and naval forces when the first of them had orders to spy on the area of the Adriatic. The nuclear submarines that had been transported by special train to Crimea reached the Dardanelles, but once there, the prohibition by the Turks forced the Soviets to load it on a ship, this because only surface ships are allowed to transit through the Dardanelles, and even these only with special transit permits from the authorities. The submarine then went through the waters of the Aegean and the Ionian and the danger increased significantly as was pointed out at the time by the NATO services.

At present, six Soviet submarines roam our seas and check out the Mediterranean. However, their stay in our territorial waters is somewhat longer than that of normal transit. This proves that their mission is not the surveillance of the Sixth Fleet in the Mediterranean, but mainly the movements of the Greek fleet.

He Caught It

Sometimes, of course, bizarre situations occur such as the one where one of our fishing boats caught a phantom submarine in its nets. In the log of the boat "Agios Nikolaos" we read:

"I departed--Captain G. Kotsoris says--Spiantza at 19:45 to fish. When I had cast my nets at a distance of 1.5 miles from shore (depth 41 fathoms) and was located between Kavo Katakolon and Agios Andreas, I found myself being hauled towards the open sea, by the stern by a strange pull on the steel cables, at a speed of 3-4 knots. I then set the engine "ahead" in order to stop, but the force was such as to break the left cable, which was 18 mm. in diameter.

"The iron capstain on which the cables are hauled also broke. I became aware that a submarine had gotten caught and was pulling me. I tried to communicate via radio with the Port Corps, but it was not possible. I figured that since the submarine did not make an effort to surface or to stop and instead was pulling me towards the open sea, it could be that it was not Greek, but of a foreign power that was spying or photographing undersea oil drilling.

"To avoid being sunk, I secured two plastic oil containers onto the cable with a line and they were dragged to the bottom at great speed! At 23:30 hours I sailed into the Katakolon harbor and reported all the details to the Port Corps."

Captain Gr. Katsoris spoke to VRADYNI TIS KYRIAKIS about the incident and this created commotion in the area.

"My boat has a 65-ton displacement and the submarine's effort was to drag me down deep to prevent me from seeing it. As a whole, I suffered damages estimated at 700,000 drachmae. An effort was made to "suppress" the matter, but it is certain that it was a submarine on a spying mission."

During the Maneuvers

In March 1983 during an antisubmarine search and while Exercise "Lailaps [Tempest]-2" was in progress, a Soviet submarine, which was spying near Skyros and was located at a distance of 1 mile from Kymi, was detected. The Soviets were alerted by the signals and began to approach the coast--where there is noise--in order to avoid being pinpointed.

Later on it moved southward in order to leave our territorial waters.

All the details of the detection are contained in the confidential report written by Commander N. Themelidis (captain of the destroyer). A second report by the Destroyer Command dated 29 March 1983 followed. In it, it was reported that the destroyer "Sakhtouris" on 16 March of that year detected a periscope between Skyros and Skantzoura.

They followed it for 1 hour with sonar and surface electromagnetic devices from 10:30 a.m. to 11;30. Later on, the Greek officers lost it, but again detected it at 17:41 south of Skyropoula.

The following findings were reported:

1. It is to be excluded that the submarines were Greek.

2. The foreign-power submarine was sighted by the captain of the "Sakhtouris" and officers and sailors on the ship's bridge.

3. It was detected by antisubmarine and radiolocator systems.

4. It was identified with certaintly as a intruding submarine. In the Navy report it is defined as being of the Soviet "Foxtrot" class.

Finally, some time ago it was reported that a foreign submarine was detected in Faliron Bay. It remained in the area for 3 days while the military services mentioned the probability of its being a Soviet vessel.

However, the presence of similar Soviet submarines portend other dangers in view of the fact that they are propelled by nuclear power and, in case of an accident, large expanses of our marine areas are in danger of being polluted.

9731
CSO: 3521/101

DANGERS OF SOVIETS' AEGEAN BASES POINTED OUT

Athens AKROPOLIS in Greek 4 Mar 85 p 5

[Text] There are some very serious national issues that must absolutely always be kept in the limelight of publicity. There must be a continuous reminder, without interruption, something akin to the "Master, remember the Athenians," which every morning a servant so ordered, said to the Persian monarch of the 2d Century B.C. A reminder, of course, but also some proposals for their solution.

These very serious national issues are many (with the sore point being the merciless destruction of our language), but issues related to our national security are the top priority.

There is an extremely small number of Greeks, and even these are experts who know that our Aegean Sea has been "occupied" by the Soviets as far back as 15 years ago. There are scattered in this wide area (250,000 square kilometers), from the shores of Makedonia and Thraki to the southern shores of invaluable Crete along with the southern Cretan Sea (and not, as very improperly called, the Libyan Sea), six Soviet naval bases with the innocent official title of ... anchorages.

These bases are located in the shallow waters of our seas near our islands, outside, of course, our 6-mile territorial waters, although some of them are to be found within the internationally accepted 12-mile (22-kilometer) territorial waters. For this reason, the USSR, siding with Turkey (she has many reasons), does not want us to extend our territorial waters from 6 to 12 miles so that her naval vessels will have at their disposal more space in the Aegean wherein to roam unhindered.

In Key Locations

The Soviets have established their naval bases in the Aegean in extremely important locations, veritable choke points for our seas, our islands (up to two thousand in the wide Aegean space, from large islands to rocks), our eastern and southern seaboards with their interiors--and, in a broader sense, the entire Greek territory.

These bases (far more dangerous than the Turkish threat and the feigned friendship of our northern neighbors) are located at the following points: the four southern ones nearly encircle the extremely strategic island of Crete, two to the south of it and one each to the east and west. The latter two block, as a "body," the two southern access points in the Aegean. Of these four, one is near Kythira (in the channel between this island and Crete), the other is to the east of the great island, near its coast, and of the other two, one is west of the Cretan island of Gavdos and the other is south of strategically-located Tymbakion, in whose area its famous military airfield is to be found. Thus, Crete is totally controlled by these four Soviet bases that nearly encircle it.

Further north, the fifth USSR base is located where the Aegean narrows, between southern Evoia and western Khios, situated near Psara. This completely controls those straits in the Aegean and is located to the south of our defense line, across from Turkey, which consists of our eastern Aegean islands. Finally, the sixth Soviet base is located in the northern Aegean, near Thasos (to the northeast of it). This base controls the entire Khalkidiki Peninsula, eastern Makedonia and western Thraki. It is located to the south of our border defense positions that stretch along the length of our borders with Bulgaria, with its southern flank on our Aegean coast.

Necessary Extension

As can be seen on a geographic map of Greece and can be ascertained even by the most uninformed on military matters, this strip has very little depth on land. For this reason it is imperative that its necessary defensive depth be secured by its extension into the northern Aegean by appropriate Greek naval forces in combination with our islands in that area. The Soviet base of the northern Aegean is, therefore, located in the center of this very sensitive, but most necessary for our defense, maritime area. This base can easily and tellingly hit the southern side of our land defense positions from the Strymona to the Evros Rivers.

When the USSR was establishing these bases, it did not hesitate to ask us, by offering a substantial rental compensation, for one of our deserted islands near Kythira in order to extend, on land as well, the base it had located there and which is the most important of all. Fortunately, this Soviet request was rejected. However, what was accepted was another request for the repair of its naval vessels in some convenient island harbor.

In the meantime, dozens of naval vessels of the USSR roam the Aegean and, furthermore, the entire Mediterranean where this superpower has acquired dominant sites for anchorages (as in the strategic straits between Sicily and Tunisia) and whose naval vessels can be found in the Gulf of Sirte to protect Libya, which is a threat to everyone.

New Reinforcements

The present naval fleet of the USSR in the Mediterranean (several dozen naval vessels) can be reinforced within a very short time by the very powerful Black Sea fleet. Within a short while a modern aircraft-missile carrier is about to be added to that fleet, which did not have one previously. Thus, the Soviet naval forces in the Mediterranean will have an additional very powerful air and missile component which will increase the threat to the countries of the Mediterranean, especially the small ones such as our homeland.

From all of the above, it has been demonstrated that our Aegean has been "taken over" by the Soviets. The local Aegean waters, its remaining marine areas, its bays, islands and our extensive and unprotected Aegean coast (12,000 kms. out of a total of 15,000 kms.) and its interior, naturally, are at their mercy.

Who is going to relieve us from this Soviet sea (and aerial too) "occupation"? The answer is "No one. Ever!"

Of course, there is the counter-balance of our small (small when compared to the military colossus) military forces, naval and air, as well as that of the 6th American Fleet in the Mediterranean, which, however, has defense responsibilities for many allied Mediterranean countries. The allied bases here in Greece are also part of it.

9731
CSO: 3521/101

MILITARY NETHERLANDS

PENSION, CAREER FRUSTRATIONS CAUSE OF PILOT RESIGNATIONS

Rotterdam NRC HANDELSBLAD in Dutch 6 Mar 86 p 2

/Article by Dick Wittenberg: "Wanted: Pilots and Spare Parts for F-16's"/

/Text/ Complaints by air force pilots about working conditions in a "fantastic" profession.

Tomorrow the Cabinet will pour over new proposals made by Parliamentary Under-Secretary Hoekzema aimed at attracting more people to join the Air Force, and reversing the exodus. For flight commander Verpalen new regulations will surely come too late. He is well on the way with the paperwork necessary for starting a civilian career. "If I get a reasonable offer, I am getting out," Verpalen says. "I have had enough of the Air Force."

Rotterdam, 6 March--"You want to do your work the best you can. You have a great responsibility to the Dutch people. And then you discover that your own bosses are working against you. That hurts." H. Verpalen, flight commander of the 322nd Squadron stationed in Leeuwarden, is fed up. He does not want to be underpaid any longer, and has had enough of seeing the fighting capability of the Air Force slowly but surely undermined.

Verpalen is not the only one. In recent years the motivation of the majority of his colleagues has been badly damaged. They grouse and grumble, but their complaints are seldom heard outside the confines of the bases. Because military pilots do not demonstrate, they do not write leaflets, they know their job. Military pilots simply fade away.

In recent years more and more pilots have sought refuge in civil aviation. This threatens to cause a pilot drain in the Air Force. At the moment our country's nine squadrons have only 240 jet fighter pilots, while there should be 250. According to an Air Force spokesman, it looks as if this shortage is only going to get worse.

Verpalen says that in his squadron alone there are about ten people on the verge of leaving the service. That is half the crew. "This is happening for good reason," Verpalen asserts. "They are all men who no longer see any benefit in the current personnel policy." Even worse, in his opinion, nothing is being done to reverse the exodus. "It seems as if the highest levels of command take no interest in this."

Crisis Policy

According to Verpalen, management only reacts in a crisis. Just recently four pilots from the Volkel air base were notified that they were being transferred to Leeuwarden as of 1 April to fill vacancies. That order went just a bit too far for the otherwise disciplined military pilots. That is why last week Wednesday they decided to act. Thirty-four of the thirty-eight pilots called in sick. "Such conduct, actually is not proper," Verpalen says, "but it is understandable."

The pilots' grievances are especially directed at pension regulations and work pressures. Like all other civil servants, military personnel have agreed to a shortened work-week. Nevertheless, pilots still put in a minimum of 43 hours in a work-week. Added to that often is overtime, night duty, and weekend duty. During an exercise a pilot is sometimes busy twelve to eighteen hours.

The workload is greater than in civilian aviation, Verpalen says. It is a fact that an F-16 is physically more demanding than a Boeing 737. A military pilot has no co-pilot in the cockpit. Also the risk in flying F-16's is greater; in the past years nine pilots have been killed in F-16 accidents.

Because of pilot exodus this work pressure has increased, says D. Berlijn, commander of F-16 training at the Leeuwarden air base. Beginner pilots as a matter of fact, must be accompanied by experienced personnel in the first years of their training. Because fewer and fewer old hands remain, they are called upon more and more often. The result is, according to Berlijn, that he does not even have time for lunch. Berlijn, however, has a flood of annual leave days coming to him. He has 167 leave days. But he cannot take them, because the workload does not permit a couple of weeks of vacation. The Air Force needs him. "I no longer know how to explain to my family that I have to work continuously," says Berlijn. He does not want to be dramatic, but "the tensions do continually increase. That takes more and more of the fun out of it."

At the same time the pay that military pilots get is lagging more and more behind salaries paid in industry. "I really do not have reasons to complain," Verpalen says, "I earn around 3,500 guilders net per month. But a fellow of my qualifications who works for KLM receives 6,000 guilders. That difference is too great."

Pension Theft

Nevertheless, wages are not the main problem for pilots. "Because flying with the Air Force is many times more exiciting than flying with civilian airline companies," Berlijn says. "Flying a military aircraft is fantastic."

The pilots are really indignant about retirement regulations. "Pension theft" says Captain G. Van Velthove, member of the 316th Squadron at Gilze Rijen and representative of the Pilots' Branch of the Dutch Officers Association.

As long as professional military personnel fly, they get a flight bonus. That is usually the case up until the pilot reaches about age forty-five. After that, flight bonuses gradually decrease, and wages plummet downward, at the very time in those last years which are decisive for calculating retirement pay levels. "That means that the more than twenty years during which I paid into the retirement fund have gone for naught," is Verpalen's conclusion.

Over the past six years, the Pilots' Branch of the Dutch Officers Association has been asking for an adjustment in the retirement regulations. The Branch also has warned for years that there is an impending shortage of pilots. Van Velthoven says desperately: "It looks as if no one is listening."

F'16's Stationed in Friesland

Verpalen has an additional problem. He feels that he cannot do his work properly any longer. Because of the shortage in personnel and a lack of spare parts, more than half of the F-16's stationed in Friesland are grounded. "That is hard to take," says Verpalen. "You just cannot fight that. That grinds on a person."

"We have never been appreciated by society," sighs an older pilot who wants to remain anonymous. "People say we make a lot of noise. And we deliver fighting power, but who notices that. In fact, the military is looked down upon in the Netherlands. Earlier a number of provisions offset this. Because of budget cuts appreciation of the military also went by the board."

"You are so powerless as a military person," he says. "You cannot strike, after all you are a member of the conservative section of society. And you are devoted to your outfit. Nevertheless, you do have the need to show your indignation. How, in heaven's name, does the government hope to hold on to pilots with such a personnel policy?"

The Air Force spokesman says that the problems are known. "The difficulty with retirement is, that every civil service adjustment has an impact on other sectors." According to the spokesman, the willingness to find a solution has grown, because of the increasing shortage of pilots. The spokesman contests the notion that the majority of F-16's cannot fly because of budget cuts.

"The preparedness of the fighter planes is by far not as bad as it has been made out to be. Maybe the Leeuwarden base is an exception because the oldest planes are stationed there."

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ANNUAL FLEET EXERCISE REVEALS MINESWEEPERS WEAKEST ELEMENT

Oslo AFTENPOSTEN in Norwegian 13 Mar 86 p 10

[Article by Liv Hegna: "Minesweepers--the Navy's Most Sensitive Point"; first paragraph is AFTENPOSTEN introduction]

[Text] Bodo. The annual major naval maneuvers which were concluded on Wednesday clearly demonstrated that the Navy's most sensitive point is the poor quality of the minesweepers. According to Rear Admiral Torolf Rein, too many hours were needed for minesweeping along the coast to bring reinforcements to North Norway. "To have to wait 24 hours can be critical in war," he said.

The inspector general of the Navy, Rear Admiral Bjarne Grimstvedt admitted that he had considered it necessary to cancel two of these ships and place limitations on the sailing of three others. Two more will receive notices of the same during the next few months. To AFTENPOSTEN's question of whether assistance could be expected from other NATO countries for minesweeping in Norwegian waters in case of war, Grimstvedt replied that apart from requisitioning trawlers which could sweep with mechanical equipment, we can not expect help of any kind in carrying out this mission.

Torolf Rein, who is commander of Naval Forces in North Norway, emphasized that the threat from submarines and mines is dangerous for the Navy carrying out escort tasks with supplies and reinforcements for the north.

"Mines are an invisible enemy, and it does not take more than one of them to destroy all too much of us," he said.

This year's Flotex was held under winter conditions for the first time. But according to Rein the 12,000 conscripts did their jobs remarkably well, despite much seasickness and many colds. In addition 300 of the Navy's regulars participated at sea, and 500 in the land-based Coast Artillery. Because of bad weather in North Norway and the extreme avalanche danger the close defense exercises for the forts were cancelled, but otherwise the Navy was not limited in its execution of Flotex.

9287
CSO:3639/90

ECONOMIC BELGIUM

MAYSTADT ON PRIVATIZATION, DEBT, NATIONAL SECTORS

Brussels KNACK in Dutch 19 Feb 86 pp 16-20

[Interview with Philippe Maystadt, minister of economic affairs, by Frank de Moor and Jos Grobben: "Philippe Maystadt Strikes Back"; date and place not given]

[Text] Minister of Economic Affairs Philippe Maystadt outlined his plans concerning privatization, recovery of competitiveness, management of the government debt, globalization of defense orders, and additional aid for the textile sector and the Campines Coal Mines [KS].

In recent weeks, Minister of Economic Affairs Philippe Maystadt (PSC [Social Christian Party - Walloon]) has once again become a controversial figure. Since he was promoted from the Ministry of Budget, Science Policy and Planning to the Ministry of Economic Affairs it would be hard to be otherwise. Now he is being accused, primarily within the CVP [Social Christian Party - Flemish] and in the spirit of a CVP Youth report from mid-1984, of systematically wanting to favor Brussels and Walloon industry in the discussion about compensation for new government orders. As CVP parliamentary party leader Luc Van den Brande and CVP representatives Jos Dupre and Eric van Rompuy criticize Minister Maystadt, it is noticeable that in this respect they are sparing their own CVP ministers and the government agreement they also signed. It remains easier of course, like the Christian democratic weekly ZEG on 14 February or like Eric van Rompuy on the same day in DE STANDAARD, to communitarize technical issues rather than to aim at their own ranks and ask the crucial question of what the private Flemish holding companies are doing to check the so-called advance of the Societe Generale and the so-called Davignon-Maystadt connection.

Apparently, member of parliament Van Rompuy is the only one who dares to argue that "the Flemish politicians are insufficiently alive to this new Flemish strategy," that "the traditional Flemish movement has been dashed to pieces on the complexity of these issues," that "the Flemish government is living in the glow of Flanders' Technology and does not fulfill any strategic function to strengthen the Flemish power position."

Therefore, on that same day we went to the minister of economic affairs, to ask him how he sees himself as the Walloon supporter of the new businesslike approach at the Ministry of Economic Affairs.

Philippe Maystadt: If being a Walloon supporter means that I am concerned with the interests of my region, then I will gladly be one. Wallonia has been the victim of the crisis and the restructuring. However, defending those regional interests is not irreconcilable with attending to the national ones. To me, a Flemish worker is as respectable as a Walloon one and I certainly don't want to take away the work from the one to give it to the other.

Question: How do you feel, being a statist in a government which wants to privatize as much as possible?

Maystadt: On the one hand, we need less state and on the other hand, more. Less, because in the course of time more and more tasks have been assigned to the state which would be better handled by the private sector. A state which wants to play the role of entrepreneur usually does this less well than the private sector. Thus, as far as I am concerned Sabena could easily be privatized. However, things are different for the railroads. That is essentially a public service which, because of costs and profits, could never be developed and run as well by the private sector. Furthermore, the same is true for the postal service. Anyone who argues that the post office could be privatized, makes me smile. There would of course be candidates to take over mail distribution in the big cities, but do not believe that the private sector would serve far-off villages and houses as the PTT [Posts, Telegraph and Telephone] does now.

On the other hand, there is a need for more state in what I would call the "royal" function of the state. Even though I am convinced that the role of the state as an actor in economic life is very incidental -- especially for a small country like Belgium in its international context -- I am convinced that the state must create the circumstances in which the other actors can act to the best of their ability. Thus the state must ensure, for example, that there really is true and honest competition. Is it then proof of statism when I advocate the repeal of the price regulation which, in my opinion, is cumbersome and rigid? You really don't need to be minister of economic affairs to realize what absurd situations the current price regulation could lead to. Recently, I was personally given the price hike of seven different categories of Sheraton hotel rooms for approval. Well now, a minister cannot and should not concern himself with that. If his signature is required for that then there clearly is too much state and there is a need to "deregulate," as it is called. It is true that we will have to be consistent in this regard and ensure that the repeal of the present price regulation will allow a full range of competition. That is ultimately what my bill comes down to. However, we cannot run the risk of seeing the blossoming of numerous monopolies or oligopolies as a result of this repeal. My predecessor, Minister Mark Eyskens (CVP), was also a proponent of competition, but I want to prevent it from being unreal and that is something the state has to keep watch over. From that point of view I am certainly statist.

Rentiers

Question: What is the status of the working group led by Professors Wim Moesen and Jef Vuchelen, which was somewhat surreptitiously set up by Vice Prime Minister and Minister of Budget Guy Verhofstadt (PVV [Party of Liberty and Progress - Flemish]) and his colleague in the Ministry of Finance, Mark Eyskens, to privatize a number of government enterprises?

Maystadt: Like many of my coleagues in the government, I too learned about the establishment of this working group from the press. This was never discussed within the government and I don't know the exact purpose of that working group either. Like Prime Minister Martens I am in favor, for example, of a partial privatization of services to clients. As a matter of fact, the RTT [Telegraph and Telephone Administration] cannot maintain a monopoly in all areas of telecommunications. In that case, the subscribers would even come out cheated because they would definitely not get the best service for the best price. From that point of view I would certainly want less state then. It is true that there will be a need then for more state to define the rules of the game better and to keep the basic network in the hands of the state.

Question: Anyone who, like some government members, expects everything from the private sector must certainly have his eyes opened these days when he reads the annual report of the National Bank, which is certainly not soft on the private sector.

Maystadt: You can indeed understand that report that way. When you see how the companies' profits have increased and investments fail to materialize, then you can rightly wonder about things. Thus there is the sharp rise in income from private properties: in the seventies this amounted to about 14 percent of private incomes. Now this has gone up to 20 percent. In addition, there is also the fact that households are recording a high financial surplus. We are saving so much even that we not only loan 13 percent of the GNP to the state, but in addition are able to loan 0.4 percent of the GNP to the rest of the world. All of this because we are clearly underinvesting.

We are becoming a country of rentiers so to speak and that is worrisome. Therefore this problem will also have to be discussed during the social consultations. We will have to talk with the employers not only about employment but also about investments and about the renewal of our industry.

As independent experts claim, in 1982 our competitiveness was once again returned to an acceptable level. This average improved in 1983 and 1984, but since then a worsening has once again become noticeable. According to the calculations of the Central Council for Business and Industry, this year we will once again have an average competitiveness which corresponds to that of 1982. As a matter of fact, if this trend continues Belgian business and industry will once again be in trouble.

Furthermore, I would like to note that the improvement of the conditions for competitiveness created thanks to numerous government measures, did not receive the expected response from business and industry. Too many companies barely sought any new markets, continued to operate in sectors without future, and barely altered the composition of our goods package. It is a good thing that since 1983 (providing that an adjustment is made in January 1985), we now have a legal standard to express the degree of competitiveness of our industry.

However, to say that our wage costs cannot rise any faster than those of the majority of our competitors remains too narrow an approach to the concept of competitiveness. As a matter of fact, there are numerous other and equally determining costs besides wage costs. Furthermore, competitiveness also has something to do with the kind of products we export. You may manufacture the cheapest black and white television sets, but what good does that do you if everyone wants color?

Question: Anyone who reads the annual report from the National Bank further and reads about government spending which still does not go down, the public debt which continues to rise and the deficit which is greater in 1985 than in 1984, would get the feeling that 4 years of Martens administration did not produce very much. Even DE STANDAARD is pointing out now that it will be very difficult in the years to come to continue to blame the socialists for the debt.

Maystadt: Did I ever do that?

Question: Your government partners have been shouting that in unison for 4 years.

Maystadt: I don't want to get involved in that discussion. There are more important problems than this kind of partisan bickering. As far as the implementation of the 1985 budget is concerned, I would like to note though that the major differences are to be found on the side of incomes. The expenditures were estimated accurately.

Question: Two years ago, as minister of the budget, you felt that the government was paying excessive interest on the government debt. You noted in that respect that the financial institutions were avidly taking advantage of that and that they could reasonably be requested to make an effort. The financial groups reacted strongly at the time.

Maystadt: Meanwhile the financial institutions have certainly made efforts, but I remain convinced that the government debt should be managed in a more modern and efficient manner. Thus it should be possible, by making use of the various financing mechanisms available on the market, to find less expensive formulas which would allow us to save billions of francs in this area also. This is precisely why it would be useful if, for example, we could attract an expert to manage this who would put his experience in the private sector at the disposal of the state.

Question: Someone like Gandois for the government debt?

Maystadt: Who knows. By letting a man like that change camps the government could definitely save quite a bit.

Question: At the present time, several proposals are going around which would not immediately push up government revenues. In this respect, one might think about the reduction of advance levies on personal property and about retirement savings.

Maystadt: Minister Eyskens' proposal to reduce advance levies on personal property does sound appealing, but it must also be possible from a budgetary point of view. Retirement savings involve more than a budgetary problem. This proposal also involves a certain government ethic. Personally, I find it contradictory to couple the retirement problem with the promotion of investments in risk bearing capital. As a matter of fact, as far as retirement benefits are concerned one strives for security and certainty, whereas I doubt that this is the case for this kind of investment.

Question: You participated in drawing up a government agreement in which, among other things, two elements were missing when compared to the previous one of December 1981. The first one concerns the globalization of defense orders in order to achieve a better regional distribution of socio-economic compensations. The second one in 1981 concerned a promise made by the state not to make any decisions which would create production capabilities which would compete with those already profitable in the same sector. By leaving out any reference to avoiding such industrial overlapping Flanders could, theoretically, begin building Sikorsky helicopters now after all (even though the takeover of the British Westland by Sikorsky has made Flemish plans more questionable than ever) but Wallonia could meanwhile be certain of securing part of the RTT contract. On the other hand, deleting any reference in the government agreement to globalization allows you, among other things, to expand the original list of the six military purchasing programs with, for example, the purchase for the air force of the Rapport III system of electronic defense equipment for the F-16 and specifically to delay the purchase of helicopters.

Maystadt: The deletion of any reference to either globalization or overlapping could indeed be understood this way. As a matter of fact, others besides the six original purchasing programs are important for the future of our defense. You don't even need to think immediately of the Rapport III system here but, for example, of the purchase of night viewers (Goggles). This is why the last government's globalization plan must be reviewed by means of a new priority list, and why a new agreement will have to be developed about this within the administration and a new form of globalization. I didn't mean anything more than that in recent weeks. As a matter of fact, for budgetary and strategic reasons Minister of Defense Francois-Xavier de Donnea (PRL [Liberal Reform Party - Walloon]) wants to adjust the 10 year plan for defense purchases. Thus, a number of orders, definitely including helicopters, will be placed in a different order than the one planned so far.

Beautiful Factory

Question: For all government orders, the Ministry of Economic Affairs is responsible for the promotion of competitive proposals. In the last government, former Minister of Defense Freddy Vreven (PVV) and his then colleague in the

Ministry of Economic Affairs, Eyskens, tried to obtain indirect rather than direct compensations. Will you also do that?

Maystadt: In some cases it is better to obtain direct compensations which are directly related to the implementation of government orders already placed. I would like to refer here to the F-16 fighter bomber program. The Walloon airplane industry has raked in its direct compensation in the matter, whereas, on the other hand, it has proven very difficult to obtain the 22 percent in indirect compensation promised to Flanders. As minister of economic affairs, I will personally make sure that the F-16 supplier, General Dynamics, keeps its promises to Flanders, but this does not alter the fact that indirect compensation is more doubtful. I admit that it doesn't make any sense to demand direct compensation for a small size purchase of short duration. Take, for example, the much discussed purchase of armored infantry combat vehicles, for which Asco and others have built a beautiful factory in Aubange via the Belgian Mechanical Fabrication Company Ltd. Well, it is obvious that we will have to keep looking attentively for opportunities to ensure the continued working of the company after the last armored vehicle has been delivered.

Question: Recently, in a parliamentary committee, you drew a very pessimistic picture of the national sectors. The so-called financing envelopes are nearly empty. What do you intend to do about it?

Maystadt: The situation is even worse than it appears from the figures published then. As a matter of fact, I provided the situation of "payments" as of 1 January 1986, while commitments already go much further. Hence, there is even less money in those envelopes than people think. This means, for example, that the envelope for the restructuring of the textile sector, which incidentally consisted of 20 billion francs, is virtually empty today and that certainly the money for the social arrangement has simply been used up. I feel that additional money must be found specifically for that. As a matter of fact, it would be unjust not to offer recovery opportunities to the workers whose company went bankrupt this year. In terms of textiles then, the only remaining issue is the service sector which is related primarily to exports and has 2.9 billion francs left in the till. What I mean is that one way or another the textile plan must be extended and that we must look for new resources in that respect. I am pleading for the private sector to take over now the shares-without-votes, which the government bought at the time. It is true that the government would then have to decide whether the National Company for the National Sectors (NMNS) will put those resources into the treasury or whether those resources will further be placed at the disposal of the textile industry. If we agree that the textile plan has produced good results, then it would seem logical to me that the money be reinvested in that sector. It is a fact that worthy efforts have been made in this area and it would be a pity to end this prematurely.

Question: And what about shipbuilding?

Maystadt: That is primarily a matter of orders. As long as the Boel shipyards, because that is ultimately what we are talking about, do not manufacture ships for which a market exists and cannot show me a filled order book, it would seem somewhat irresponsible to me to continue pumping community money into it.

Question: Shouldn't the shipping credits be given to the shipyards rather than to the ship owners?

Maystadt: I wouldn't go that far, but I do believe that we must continue to make sure that those credits indeed benefit the Belgian shipyards rather than the Belgian ship owners. However, those shipyards should for a long time already have been making types of ships or platforms that others do not build. I certainly want to do everything possible to keep the Boel shipyards afloat, on the condition that it not become a pure loss and that we get an idea of the kinds of orders this shipyard thinks it will be pulling in in the coming years.

Question: There remain two other important sectors: coal and steel.

Maystadt: ... You are coupling those two.

Question: Both industries will be in sore financial straits in the foreseeable future. At Cockerill-Sambre the social envelope will be exhausted shortly, and in a few months the Campines Coal Mines will be down to their last cent.

Maystadt: The problem of Cockerill-Sambre [CS] is not all that urgent. The difficulties, the payment of transitional pensions and the like, will occur only a few years from now and I hope that by then the company will be able to bear those costs itself. As a matter of fact, like all sectors this envelope is indexed. As far as the Campines Coal Mines are concerned, there can be no misunderstanding. When the envelope is empty -- and that will be the case in a very short period of time -- the operating loss will have to be reduced to an acceptable level. In practice this means up to about 5 billion francs per year, this being the revenue of the Flemish inheritance duties. What must take place now is the drawing up of a recovery plan which strives for this goal. Another problem is that transition period.

Question: Who will finance it and how?

Maystadt: I am not excluding anything. Some people indeed seem to believe in such a coupling, but I would like to see a few illusions disappear. Specifically the illusion which exists at Cockerill-Sambre that there will "always" be money because KS must continue to produce, and the illusion at KS that the government will continue to be ready to help because CS will not become profitable. As a matter of fact, I would like to point out that everyone in Wallonia by far does not agree to bet everything on that one horse, and in Flanders there are probably enough people also who don't want to see all their money swallowed up by KS.

Question: Are negotiations still going on about the famous extra charge electricity producers have to pay for coal from Campines?

Maystadt: Yes, but I don't think that the term "extra charge" is right. That makes it look as if it involves a present to KS and that is "not" the case. Campines coal has a higher calorific value than imported coal and is less expensive for electricity producers because they themselves do not have to stock enormous amounts of coal. What is involved now is to agree on a correct price, which takes those elements into account.

Question: Secretary of State for Energy Firmin Aerts (CVP) who was added to your department, will soon be the only person to defend the restarting of the nuclear reprocessing plant Belgoprocess in Dessel.

Maystadt: Secretary of State Aerts, with my permission, is looking for new partners. The electricity producers are willing, officially at least, to bear 55 percent of the costs, but then we will still lack those 45 percent. Hence, if Aerts doesn't find any new elements, and especially if he cannot persuade the German private electricity producers to participate by allowing their irradiated nuclear fuel to be processed here, things will be very hard for Belgoprocess. It would be difficult to demand that the community invest 30 billion francs by itself.

Question: Is there any future for Belgoprocess anyhow?

Maystadt: If Aerts cannot bring any new elements into the file, then it will probably be the end.

8463
CSO: 3614/74

MISTRUST HINDERS ECONOMIC, TECHNOLOGICAL COOPERATION WITH FRENCH

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 25 Feb 86 p 12

[Article by Karl Jetter: "Between Cooperation and Mistrust"]

[Text] A wave of mistrust toward the FRG is passing through France--not for the first time and not for the last time. France's relations with its neighbor are subject to periodic fluctuations. Political relationships are normally excellent, as long as everything is going in accordance with French conceptions. Just as regularly they deteriorate when the Germans remember that they have national interests. Independently of that, economic cooperation between and integration of the two economies proceed totally undisturbed, just as if no tensions existed in Franco-German relations; and even more, as if there were no campaign in the French media criticizing Germany. These days it is being nurtured primarily by the Germans' supposed turn-away from France and their lack of willingness to cooperate in technological matters with the French. However, this mistrust has even deeper roots and it is growing with the economic lead of the Germans, which has been becoming more pronounced for years.

More than 200,000 jobs are still disappearing in France each year, almost as many as are being newly created in Germany each year. The profitability lead of the 10 largest German concerns, compared with the first 10 in France, has been at least DM 10 billion annually since 1982. The FRG is regarded as the "Japan of Europe," with the highest foreign trade surplus of all time.

The weekly magazine VALEURS ACTUELLES states: "With the Airbus, the Tornado fighter plane and the aircraft that the Germans will build with Great Britain, Italy and Spain, the FRG is achieving autonomy in the aircraft industry. As the owner-builder of Spacelab, Germany has taken a step into space. With the development of the European section of the space station Columbus Bonn is entering the world market of space travel."

What is there to be afraid of? Henri Froment-Meurice, the French ambassador, interpreted the relevant literature in this way: "The French are making voyages of discovery across the Rhine. They are exploring the Germanic land. They are returning with their heads full of nightmares. In book after book they swamp us with their fears. Nothing is functioning in Germania any more!" "Anti-German sentiment" over there is drifting in the direction of pacifism, neutralism, opposition to nuclear power, anti-American sentiment is turning into Germanism!" One serious weekly periodical recalls the saying of British wartime Prime Minister Winston Churchill: You either keep Germans under your boot or you'll have them at your throat! The paper then serves up this fundamental insight to the French: "France sees its future in Europe, but Germany sees its within a national framework (referring to unification as a priority). No one is short of proof for theses of this kind: "Franco-German cooperation has reached a dead point. We are stumbling from one failure to another. The Franco-German tank was aborted. The Thomson-Grundig marriage failed because of German resistance. Lufthansa took neither the Caravelle nor the Concorde. Bonn buried the design for a military reconnaissance satellite, which had been ceremonially baptized a year before at a Franco-German summit. German minister Riesenhuber has told French journalists that Bonn will not spend 'a single deutsche mark' for the European space shuttle 'Hermes'." On the project for the high-speed train (TGV) from Paris to Cologne: "Bonn says yes but is thinking no and does not even have the feeling that it is lying." Why? Because the Bundesbahn is developing its own high-speed train and wants to run it one day between Paris and Cologne . . . . But this is not enough: "German Minister of Finance Stoltenberg is unwilling to release a single additional deutsche mark for Eureka." Even worse: "Chancellor Kohl is submitting unconditionally to Washington's wish to open a new round of GATT discussions on tariffs--against the resolutions of the EEC."

Where does technical-economic cooperation really stand? The official Franco-German parliamentary group in the Bundestag, chaired by Hans Stercken, and the official Franco-German Chamber of Commerce in Paris and Duesseldorf agreed in Aachen on a public statement of policy and economics. The active presence of the Archbishop of Paris Lustiger, of industrialists, scientists, generals and bank managers gave the statement substance.

The speeches by the French and German ministers for research demonstrated that cooperation is far better than its reputation. To be sure, the French list of failed projects is long and impressive. Today the French still celebrate their supersonic Concorde aircraft as a great technical achievement. Germans saw the project as a mass grave for tax money.

To the statement that "Bonn makes economic decisions, where Paris makes technocratic decisions" Minster for Research Henri Curien responds: "We make economic decisions in Paris as well." He said that France was not pursuing any more prestige projects. "The new market economists" in France recognize that the acquisition of Grundig by Thomson was bound to fail because of German cartel laws that safeguard competition. Like the federal government, they are in the process of putting their public budgets on a sound footing, eliminating expenditures and gaining control of the debt. It is obvious that projects have to be postponed, curtailed and sacrificed, regardless of whether tanks, helicopters or satellites are involved.

In any case, from an economic perspective it involves small fry. All of them together make up less than 1 percent of the annual exchange in productivity between the two countries (about DM 110 billion). The critics find it all too easy to overlook the successes of joint projects like the Airbus, which were funded by market economies. Major French companies (Thomson, Bull) are relocating entire research centers to the Schwarzwald, to Berlin. In France, Siemens is looking for 250 French engineers for its German research center. Eleven hundred scientists have already worked "in the other country." Technological cooperation is a reality.

Serious differences of opinion are more likely to exist about the German attitude to the American Strategic Defense Initiative (SDI) and to the competing French Eureka design. The government in Paris refuses to participate in SDI, but is allowing its state-controlled companies to participate.

The government makes no attempt to conceal the fact that it is opposed to any waster of money for double expenditures: "I am issuing a warning against any ambition of wanting to invent everything anew. We should rather invent what does not yet exist" (Heinz Riesenhuber). Curien's response to this is: "Europe must become autonomous in manned space travel as well. Anyone who cannot send a repair facility into the cosmos will not sell any more satellites." For the FRG, participation in the Hermes space shuttle would not be "a leap in technology."

Lutz Stavenhagen, minister of state in the Ministry for Foreign Affairs, rejected French fears of Germany drifting away into pacifism: A neutral role in the middle between the East and West blocs was "not capable of winning a majority" in the FRG. He said that Bonn had a strange experience with the Eureka: "The opponents of a controlled economy have been waiting until we organize Eureka in the fashion of a controlled economy." But Bonn did not do that. It was still up to the companies to make suggestions. The Eureka secretariat did not have any funds of its own for the subsidization of European research. It was up to the individual countries, he said, to make a decision about their research contributions in a specific case. The crucial test for Eureka still lay ahead. Industry's calculation of benefit that it was better to work jointly than alone still held true.

The new French high-speed links (TGV) have proved to be profitable after only a few years. Today Bonn and Paris are convinced that a new high-speed rail network will not be a burden on the taxpayer. They feel that the European capital market is strong enough to finance the renaissance of the railroad. The president of the Bundesbahn, Gohlke, said that 2 years ago the present discussions were unthinkable. In the future everything would move much more quickly than could be imagined today. At present only the French TGV train was available. But in the 1990's the German ICE train could be traveling to Paris. In this context the former ambassador in Tokyo, Diehl, recalled the old battle in television technology between Pal and Secam. At the time Paris and Bonn were each engaged in imposing their own well developed technology on the other. Only the Japanese had derived any advantage from this sterile conflict. The conclusion to be drawn was this: In future, technological development in Europe should be put out for bids through a European client in the initial stages whenever possible. In the case of the European railroads a joint "assignment workbook" [Lastenheft] in this sense already existed. Accordingly it was a matter of mere detail to award contracts and subcontracts to companies in individual member countries. Like the Airbus, high-speed trains could be developed in the future by a European consortium, with the work being divided out. The principal concern in Europe was always and everywhere to realize a unified market. It was necessary to agree upon the standards and system concepts at an early time.

9581
CSO: 3620/586

BONN SEES DECLINING COMPETITION FOR APPRENTICESHIPS

Bonn DIE WELT in German 20 Feb 86 p 1

[Article by p.p., datelined Bonn: "Wilms: Competition for Apprentices; Bonn Expects Easing of the Apprenticeship Market; Vocational Training Report Adopted"]

[Text] The FRG government expects an easing on the apprenticeship market. As Education Minister Dorothee Wilms said yesterday following approval of the "1986 Occupational Education Report," she starts from the assumption of about 740,000 applicants, with 10,000 to 20,000 more apprenticeship positions than in 1985. Last year there were 756,000 seeking apprenticeships of whom 95 percent could be placed by the end of the year. Mrs Wilms: Of the 38,991 who remained without an apprenticeship position up to 31 December, additional ones could be placed in the meantime.

Despite the latest action of the SPD opposition of wanting to ask for payment of a tax from enterprises which do not want to train people, the FRG government adhered to its course "of betting on the voluntary involvement of industry in training." Moreover, for the future, too, "the general conditions for the tested system of dual vocational training" will be "assured," the minister said and beyond that announced: The federal government's own training activities this year will be "kept at least at the same high level as last year," which corresponds to the availability of about 32,000 apprenticeships.

All demographic data let us expect a development which will bring about by 1990 at the latest that "the total demand for apprenticeship positions will be less than 600,000." For Mrs Wilms that was an occasion yesterday to appeal to industry: "In the medium term, the competition for apprenticeships will change into a competition for apprentices. Enterprises which want to ensure their skilled manpower demand over the long term and with high quality personnel are therefore well advised if they make use of the opportunity of the still high demand for apprenticeship positions now and step up their training efforts. Investments in vocational training now are investments for the future."

Quite incidentally the minister also touched on the recently increased discussion that many youths "are being trained for the wrong occupations, thus are getting the wrong qualifications." This reproach cannot be maintained according to the studies available to her. For, on the one hand, many youths either perform their military service following completion of their apprenticeship or they continue to improve their qualifications. Neither one of these factors can be described as a "faulty start." And generally, "a smooth start in an occupation simply cannot be follow-on activity in the apprenticeship occupation." After all, for the barely 1000 training directions there are 25,000 activity profiles in jobs for which there are in part no "training directions that are clearly related to them."

12356
CSO: 3620/582

VOCATIONAL TRAINING TO BE MODERNIZED

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 6 Feb 86 p 11

[DPA article datelined Berlin: "Almost All Apprentices Will Soon Be Taught According to New Training Plans; 'Modernization' to Be Concluded by 1987; Broad Fundamental Education Is the Basis"]

[Text] Broad training regulations by which the job descriptions are adapted to technical and economic changes are supposed to be available by 1987 for nearly all occupations according to information of the Federal Institute for Occupational Training (BIBB). Especially affected by the new regulations are the big industrial training fields such as metal, electrical engineering, chemistry, printing as well as the metal and electrician trades, according to information by the BIBB general secretary, Hermann Schmidt, provided to journalists in Berlin. The purpose of the reforms, he said, is a broader occupational fundamental training, which provides a better basis for mobility and advanced training. Training of "versatile skilled workers" is hereby in the center of attention.

Roughly 90 percent of all youths would be trained "with orientation to the future" after completion of the new regulations. There is now a total of 1.8 million persons to be trained. Since the 1969 occupational training law went into effect, nearly 200 occupations with roughly one million training conditions were newly regulated. The trend towards reducing the occupations further continues, according to Schmidt. The present 42 metal industry occupations would be combined at the end into 6 occupations that are divided into 15 fields of specialization. In 1969 there were about 600 occupations requiring apprenticeship recognized by the state as against 429 at the present time.

Schmidt rejected criticism of the prolonged procedure in developing the new regulations. All participants, employers and labor unions, must be involved in the reforms which is a time consuming process, he said. But their consensus is a "cornerstone of the dual vocational training in school and plant." So as not to overtax small and medium-sized enterprises, the regulations only prescribe "minimum requirements." Inclusion of not yet broadly introduced new technologies would otherwise deprive these tested training enterprises of their "ability to train." However, no enterprise is prevented from training over and above this foundation. Large enterprises in particular will frequently assume this "vanguard function."

Recently BIBB submitted several partially newly regulated, partially unified guidelines for occupational training in various fields. These include, among others, the occupations of specialist salesmen and saleswomen in the food trade, packaging technicians, "neon lamp glass blower" (a further specialization in the neon advertising branch of industry) and male and female doctor's assistant or veterinarian's assistant. The specialist salespersons of the bakery, butcher, and pastrymaker's trade are replaced by "salesmen/saleswomen in the food trade." Nearly 51,000 persons to be trained are affected. Training in the industry producing packaging was newly regulated. The "neon lamp glass blower" supplements the "sign and neon sign advertising producers" also recently reformed. The period of training for male and female doctor's assistants as well as that of veteriarian's assistants is also expanded by one year to three years.

12356
CSO: 3620/585

INDUSTRY MINISTER EXPRESSES OPTIMISM

Paris L'USINE NOUVELLE in French 16 Jan 86 p 47

[Interview with Minister of Industry and Energy Joan Majo by Vincent Nouzille; date and place not given]

[Text] [Question] Since 1 January 1986 Spain has been a member of the Common Market. Do you think that Spanish industry is ready for it?

[Answer] It would have suffered a great deal if all protection had disappeared on 1 January. However, there is a transition period of 7 years. I am convinced that Spanish industry has enough time to compleyr the kind of essential modernization which will make it competitive by the end of this transition period.

[Question] Will you take action to facilitate the introduction of the Value Added Tax, to compensate for the end of "tax adjustments," etc?

[Answer] We do not have in mind any direct assistance to companies. We were under one system and we are changing to another. We have to adapt ourselves to the change. The competitiveness of our companies should not be based on subsidies but on ensuring competitive costs for inputs and a productive process which is also competitive.

[Question] In your view what are the principal problems which Spanish industry suffers from, compared to its European competitors?

[Answer] I see four of them. The first problem is the time lag in dealing with the problems of overcapacity in certain industrial sectors, such as shipbuilding or steelmaking. Ultimaterly, these delays have affected our whole economy. Beginning in 1983, we began restructuring programs in these sectors. They are not completed, but they should be concluded fairly quickly.

[Question] Could you give us some examples?

[Answer] By the end of 1985 about 60 percent of the objectives in the restructuring of the steel industry had been achieved. We agreed with the EEC to begin this process on 1 January 1986 and to complete it over a period of 3 years. In the textile industry the reconversion plan should be completed by the end of 1987. In fact, it is almost completed now. We have invested a great deal of money. This is a model of cooperation between the private sector and the government.

[Question] Let's look at the second handicap.

[Answer] This is to be found throughout industry in general. It is the problem of the excessive cost of energy in the process of industrial production. We undertook an intensive program of investment to add 300,000 TEP in 1985 and 500,000 TEP in 1986. In 2 years we will have saved 20 percent of our initial energy consumption in industry.

The third point concerns a certain imbalance over the past 10 years between the very substantial growth in the cost of labor and insufficient growth in overall productivity. There has been a lack of technological investment to improve productivity, except, perhaps, in the automobile sector and in a few chemical firms. Now we have to make up for that lost ground.

We have a final subject for concern: the nature of the industrial products traditionally manufactured in Spain has not made it possible to include increased costs in ruling market prices. Our products are not industrial leaders and too often involve commonly available goods. Also, in order to regain room for maneuver, we are presently encouraging innovation, that is, in terms of quality, design, packaging, marketing, and the commercial promotion of more sophisticated products in the European range.

[Question] Is the role of value added to research enough in the various Spanish companies?

[Answer] No. It represents less than 1 percent of our Gross Domestic Product. Our goal is to reach 1.5 percent in the next 4 years, whereas the European average is between 2 and 3 percent.

[Question] In 1984 you undertook a sectoral plan for the electronics and data processing industry and, in 1985, a plan for robotics. Are these priority sectors in your view?

[Answer] These two plans have no particular priority in themselves. They were given priority because they brought new technology to all of industry. And we wish to develop these technologies by ourselves.

[Question] However, you need to have foreign technology?

[Answer] Yes. In cases where the development of these technologies in Spain would take too much time. Therefore, we choose between such cases and those which we can "handle." For example, we do not accept foreign technology in the field of telecommunication equipment, the control of air navigation, or automation and robotization in the textile sector. On the other hand, we do not see ourselves as capable, over the short term, of reaching international levels in the field of microprocessors. We need partners. This explains our agreement with AT&T.

[Question] With a subsidy of $60 million.

[Answer] The aid we will receive is no higher than what has been provided to other European countries. It is above all the 1,800 engineers in electronics and data processing graduating each year from our major schools which interested AT&T. As was the case with all of the other foreign companies with which we have recently signed agreements. For example, Hewlett-Packard, Olivetti, and Nixdorf in data processing; Thomson for passive components; and Sony, Grundig, and Matsushita for video tape recorders.

In the same way we have signed modernization contracts with the foreign automobile manufacturers operating in Spain, including General Motors, Ford, Renault, PSA, etc. And we are close to an agreement with Volkswagen regarding SEAT. I think we are offering them good conditions (costs, technology, experience, and a market) to manufacture automobiles at the lower end of the price range in Spain. They have all understood this. The most recent firm to have made this choice was Opel.

[Question] In your view what will be the strong points of Spanish industry 5 years from now?

[Answer] We can establish positions in the agro-food industry, in textiles, shoes, automobiles, and chemistry. We believe there will be spectacular growth in our electronics sector. We will succeed in all of these sectors, thanks to the better quality of our products and to close cooperation with multinational companies, particularly the European firms. This is because the markets are international. Our agreements with AT&T or Olivetti are good examples of this. In this way we will Europeanize our strategies and those of our trading partners.

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ECONOMIC SPAIN

INDUSTRIAL MODERNIZATION EFFORTS VIEWED

Paris L'USINE NOUVELLE in French 16 Jan 86 pp 44-52

[Article by Vincent Nouzille: "The New Face of Spanish Industry"]

[Text] Since 1 January 1986 Spain has been a member of the EEC. Spanish industry, which had been very much protected up to that point, must now modernize itself. It will have a number of advantages in doing so, and it is the Spanish state which controls the process.

"Understand how the Value Added Tax works, on videocassettes"; "Occupational training is a program for everyone." Whether practical or ambitious, these advertising slogans, taken at random from the Spanish economic press, provide evidence of the ferment which developed in the Iberian Peninsula a few days after the official entry of Spain in the Common Market. It is made up of a mixture of individual actions to deal with the problem and a program of "forced march" modernization carried out by a socialist government which intends to dissipate the fears felt by businessmen and consumers. A comment heard among the public goes: "It is Europe which is going to come into Spain and not the reverse." This is incorrect, in fact, because the agreements reached between the EEC and Spain in 1970 created an imbalance: export customs duties were only one-third the level of import duties. Spain now ships 50 percent of its exports to the EEC. On the other hand, the EEC only accounts for 33 percent of Spanish imports.

Spanish industry, which has been very fully protected up to the present, must now adjust itself to European time. Since 1 January 1986 the 1970 agreements with the EEC have no longer been in effect. This means that "tax adjustments" (disguised subsidies of 4 to 11 percent on exports), import licenses, and quantitative restrictions have been abolished. Long live the Value Added Tax, which replaces an archaic and ineffective system of 23 kinds of indirect taxes. And the first of eight stages (an initial reduction of 10 percent) in the abolition of customs duties with the EEC will enter into effect at the beginning of March.

Pausing between taking a plane to Barcelona and his board of directors meeting in Madrid, a leader of the Spanish employers' group expressed concern about these shocks. Lorenzo Gascon, president of the Common Market Committee of the CEOE (the Spanish equivalent of the French National Employers Council), explained: "Gross Domestic Product threatens to fall by 2 to 3 percent; competitiveness, by 5 percent; and inflation could bound up by 3 to 4 percent. Our recently-established industriesare going to suffer from the massive arrival of European products on the Spanish market and from the very subtle, nontariff barriers which exist in all of the EEC countries." He bitterly added that nothing has been done to prepare companies for the application of the Value Added Tax.

In fact, this is a rather somber picture. Enrique Kaibel, president of the Foreign Trade Committee of the CEOE and of the Spanish Association of Equipment Manufacturers (SERCOBE), takes a somewhat different view: "The 1970 1970 agreements with the EEC would have had to be renounced sooner or later. Spanish entry into the EEC requires sacrifices, but it is the 'least worst' of solutions. And we have some advantages in adapting ourselves to the new situation."

In reality, the fateful date of 1 January 1986 made it possible to speed up essential industrial restructuring. Juan Luis Croissier, president of the National Institute of Industry [INI], a state holding company, admitted: "There was a certain amount of psychological pressure which drove us to modernize more rapidly those sectors which were more backward and to promote other industrial sectors."

Spain wants to win the battle of industrial modernization. Like France in the 1960's, but more quickly and under crisis conditions, it must adapt its economic structures. And it is the Spanish state which is directing things.

The program for the reconversion of basic industry alone will mobilize the equivalent of some 50 billion francs over the period 1984-1986. The choices made were drastic: steel production, ship construction, aluminum, fertilizers, domestic appliances, and equipment goods were involved in the formation of rather melancholy industrial groups, in amalgamations, and in investments in productivity. Strategic sectors of high technology industry have benefited from specific programs. From Catalonia to Galicia, zones selected for urgent reindustrialization are flourishing. The industrial mobilization program is a general one, requiring the sales forces of Spanish industry to leave their trenches before they are inundated--and to polish up their trade weapons. And they have a number of them.

In the textile sector, for example. With 350,000 workers, Spanish factories account for 13 percent of European production. The national plan, begun 4 years ago, raised investment from the equivalent of 700 million French francs in 1982 to about 1.5 billion francs in 1984. Many companies have gone out of business. Other companies, within the limits of good management practices, have slipped into involvement in the underground economy, which now accounts for 20 percent of the production of textiles, at very low productivity levels. Nevertheless, on an overall basis the plan is a success. The funds available to many companies have grown, their production equipment has been largely automated, and the range of products turned out has been brought up to date, particularly in terms of the ready to wear clothing sector, the top of the line. Is the textile industry ready for Europe? According to Miguel Bosser, president and director general of the Bosser Company, the Spanish textile industry still stands to lose 20,000 jobs, while exports will decline by about 20 percent in 1986.

Lorenzo Gascon, counselor and delegate of the Seda Company in Barcelona (artificial fibers for textiles) and vice president of the Union of Textile Industries, considers that "lower priced Spanish textiles will now face competition from Portuguese industry, whose wage costs are 70 percent lower than ours and below those of third countries." In effect, Spanish entry into the EEC will force the country to accept a certain percentage of Asian products in its imports. Gascon, a Barcelona industrialist who is not worried about his own company, one of the five largest in the artificial fiber industry in Europe, noted: "However, we can use our imagination." He added: "I can manage. If they attack me in Spain, I will attack my competitors on their own ground."

10 Million Bottles of Champagne Sold to the United States in 1985

Taking the offensive? You just have to look at the agro-food sector to see this also. The number of production units (140,000) went down by 5 percent in 1985. Economic activity is concentrating and being rationalized. And in the various plants the managers are becoming more active. One of the "businessmen of the year" designated by MERCADO magazine is none other than Jose Ferrer, president and director general of the Freixenet wine company, which has been producing "Spanish champagne" since 1889. Its vineyards in Catalonia made it possible to sell 13 million bottles of champagne abroad, including 10 million bottles to the United States (compared to 3 million bottles in 1981). He took over the Henri Abele champagne company in October 1985 and hopes, through his other investments, to produce 5 million bottles of champagne in California and 6 million in Mexico in the course of the next 5 years.

The high-flying Squash Company (250 million francs in business turnover and 55 million francs in profits in 1984), one of the largest Spanish companies handling choice quality fruit and flowers, is considering increasing its available, arable land and wants to introduce the techniques of drop by drop irrigation and microsprinkling of water.

Another example of this spirit of dynamism is the Interalimente Company, which is 50 percent owned by General Foods. Just outside of Madrid it has built one of the most cost effective plants in Europe, which will produce 200,000 hams annually. Thanks to its own network of livestock raisers and a continuing system of hygiene control, it will export its meat products in accordance with European regulations on hog diseases. Is this an American bridgehead in the EEC? And so on.

There is no hesitation! Foreign investment projects (see tables below) are welcomed with open arms by the Spanish leaders. This is particularly the case in the production of automobiles, industrial equipment, and electronics.

In 1984 the Spanish automobile industry produced 1,170,000 vehicles and exported 60.8 percent of them, a record level for Europe. This performance was due to foreign companies building automobiles in Spain. Ford, the largest company in this respect, is producing all of its "Fiesta" models and some of its "Escorts" and "Orions" (260,000 vehicles, of which 70 percent are exported). If Ford signs a pending investment agreement worth 4.2 billion francs with the Spanish Government, its factory in Almusafes will become the largest in Europe. General Motors (turning out 260,000 vehicles, of which 85 percent are exported) produces all of its "Corsa" automobiles in Spain and is discussing the complete takeover of the Enasa Company. For its part, SEAT, which is still owned by the INI, has begun to produce "Polo" cars for Volkswagen (55,000 in 1984 and 95,000 in 1985) and could come under the control of the German company. The industrial plan accepted by SEAT and Volkswagen provides for the assembly of another vehicle in Spain, the exclusive production of the model succeeding the "Golf," continuing with the "Ibiza" model, and the maintenance of the SEAT network. In exchange for this SEAT would eliminate 4,000 out of 23,000 jobs. Finally, Renault will invest 2.5 billion francs on its own over the period 1985-1987 to modernize its FASA factory. The PSA Group is following the same logic, and the Japanese automobile manufacturers are knocking at the door. Producing vehicles at the lower end of the price range in Spain will provide them with a good springboard for sales in Europe and even in Latin America.

A Strategy of Stimulating the Domestic Market

The Spanish Government believes in its automobile "card" (see the interview below with the ministerr of industry). In effect it has had positive results from exports of vehicles but also with the manufacturers of automobile equipment, such as Tudor (batteries), Michelin, Valeo, Robert Bosch, etc. While it is dominated by foreign firms, this sector is also facing a new situation.

Antonio Escudero, president of the Spanish Association of Manufacturers of Equipment and Components for the Automobile Industry (SERNAUTO), noted that "the end of 'tax adjustments' should be compensated for by the decline in customs duties on steel products which we use. The share of Spanish components in our automobiles has fallen from 45 to 22 percent in 10 years. That means that we should increase our exports rapidly in any case."

Another strategic industrial sector involves the production of equipment goods. Enrique Kaibel of SERCOBE observed: "Today there are 350 companies which manufacture all kinds of equipment, from movable overhead cranes to small carts, and they export 42 percent of their production, compared to 10 percent in 1975." Some regrouping of these companies has taken place over the past few years, and efforts have been made to obtain assistance from French companies to strengthen Spanish technology in certain areas (the Alsthom Company, for example, was asked for help in producing railroad equipment.). Enrique Kaibel continued: "Over the middle term, we should abandon the production of extended series of equipment and concentrate on more sophisticated equipment." He mentioned a few other opportunities: machinery in the energy field (Spain is already able to handle some 85 percent of nuclear technology.), petrochemical equipment, public works equipment, railroad equipment, and robotics.

To make up for technological lags in the automobile and equipment goods sectors, the Spanish strategy involves stimulating domestic firms. Investment in the electronics and data processing industry went from 140 million francs to 1.1 billion francs between 1983 and 1984, while exports in this sector went up from 2.5 to 7.5 billion francs during the same period. The national plan inaugurated in 1984 is based on the Telefonica Group (microelectronics and data processing); Inisel, the new state-owned holding company (professional and military electronics and computer software for industry); and a few technically advanced companies such as CESELSA or Page Iberica (see tables below). The plan for advanced automation undertaken in 1985 is based on cooperative efforts between the SSII Company (artificial intelligence), the laboratories of the CSIC (the Spanish equivalent of the French National Center for Scientific Research), the Ministry of Industry, and private Spanish companies.

Established in 1979 in Madrid, the Eliop Company (75 employees, 50 million francs in business turnover) is part of the elite group of high technology firms. It produces programable robots and electronic command systems. Lopez Mesa, Eliop's director, explained: "We anticipate 30 percent growth each year." Eliop has just displayed a new family of robots in Paris. It is going to build another factory this year (involving a 20 million franc investment). It also is counting on increasing its exports to Europe and on developing relationships with foreign companies.

Will a sprinkling of government subsidies and a zest for dynamic small and medium sized industrialists be enough to give wings to Spanish industry? From all available evidence, the provision of foreign support will be decisive. The agreements reached with AT&T and Fujitsu and the desire to participate in the major projects of European technology may be explained in part in this way. However, other and equally essential changes are presently having an impact on Spanish industrialists which is not always apparent.

The managers are the first of these advantages. On the front page of the newspapers and in television studios a resolutely modernist generation is seeking to grasp and already holds many of the reins of command, both in the public as well as the private sector. Minister of Industry Joan Majo is Majo is himself a former company director. Trained more usually in American business schools than on the benches of the Franco regime, these business leaders are not afraid of talking about competitiveness, profits, and world strategy. Wasn't it due in large part to this international culture that Spanish companies invested 7.5 billion francs abroad between 1982 and 1983, or more than the total invested abroad between 1963 and 1982? Enrique Kaibel stated: "Is Spain an island? That is not realistic. If we want to make an impact, we must be present in all markets."

A second positive factor: quality and marketing are very much in fashion. Until recently limited to the factories of foreign companies operating in Spain, business circles interested in quality are gaining ground. With his bristling mustache thrusting forward Julio Pascual, secretary general of CONFEMETAL, has made himself an ardent advocate of quality. Within the employers organization which he directs many practical courses and about a dozen training programs were organized in 1985 on this subject. This teacher, known for his liberal ideas, declared: "It is still very embryonic, but it is moving ahead." Juan Luis Croissier, the president of the INI, also believes in quality. A contract for technical assistance in the shipyards was signed a few months ago with Mitsubishi. It concerns the organization of the work and quality control.

In the steel industry enormous investments have been made to improve the quality of steel in the course of production. Juan Luis Croissier argued: "We need to go farther in providing better products to our industrial consumers." Regarding marketing, Ramon Merce, the boss of Myurgia, a producer of perfumes and personal hygiene products in Barcelona, commented: "Quality is one of the keys to our image as a leader in foreign countries." With 800 employees and a business turnover of 320 million francs, this company would like to make its line of perfumes better known in Europe, while adapting its products to European cosmetics standards. He added: "We are still suffering too much from the reputation of being at the bottom of the quality range."

A final advantage: Spanish industrialists benefit from a more flexible financial and tax system than may appear at first. Commercial paper is already in current use between companies. All investments inproperty and real estate are presently deductible from taxes on profits for the 1985-1986 fiscal year. Furthermore, there is no limitation on credit. The regulation of the investment market takes place through the use of rates which are on the low side and which amount to about 15 percent for long term loans, compared with 23 percent in 1980.

The large number of Spanish banks long involved in the company capital market makes it possible to ensure the essential replacement of company funds and discreet contacts with banks. The expansion of the banks to the foreign trade field also provides the possibility of undertaking complex financial operations with foreign partners. Finally, the Madrid Stock Exchange is waking up. In 1984 it was one of the most profitable in the world, and it is getting ready to play a more dynamic role in the collection and use of savings.

Certainly, there is an economic crisis, there are 3 million unemployed, and there are regional imbalances and weaknesses in the training programs. Spanish industry is still convalescent. However, when it is exposed to the fire of European competition, it can count on these advantages in specializing in products in the medium quality range and in offering a good platform for production in Europe. Is this a correct or painful choice? Julio Pascual concluded: "We have enormous potential for productivity and growth to exploit. However, we should have no illusions for all of that."

Table 1 - Annual Flow of Foreign Investment in Spain (in Billions of Francs)

1979	4.0	1982	9.1
1980	4.2	1983	7.9
1981	3.9	1984	13.3

Source: Economic Expansion Section, French Embassy, in Madrid

Table 2 - Principal Foreign Investors (in Percentages of the Annual Flow)

	1983	1984
United States	11.7	13.8
Panama	2.2	13.0
Federal Republic of Germany	13.1	11.0
Great Britain	6.8	8.2
Switzerland	9.1	8.1
Spain	12.2	7.8
Japan	2.7	6.6
France	18.6	5.8
Netherlands	6.7	5.8

Source: DGTE

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BANK FORECASTS: ECONOMY HEADED IN RIGHT DIRECTION

Stockholm DAGENS NYHETER in Swedish 19 Mar 86 p 10

[Article by Jan Magnus Fahlstrom]

[Text] Everything in the Swedish economy seems to be moving in the right direction. Growth, inflation, employment, interest rates, and the balance on current account seem to be shaping up decidedly better than there was reason to think they would as recently as the end of last year.

The Postal and Credit Bank (PKB) and the Banking Company of Swedish Savings Banks (SpB) are in complete agreement on that point in the reports they issued on Tuesday. But both banks emphasize that this does not mean that Sweden's economic problems are over and done with, only that we have gotten a breathing space that we ought to take advantage of.

It was chiefly the drop in petroleum prices that led the bank economists to sharply revise their November and December forecasts in a favorable direction. The other factor helping us along--the drop in the value of the dollar--had already been included in their calculations, although that decline has been faster than they anticipated.

The SpB now expects an average dollar rate of 7.15 kronor during 1986. The PKB anticipates that the dollar will stand somewhere in the vicinity of its current value--7.22 kronor--at the end of the year.

Stabilized Price

As far as the price of petroleum is concerned, the PKB is working on the premise that it will stabilize at around $15 per barrel during 1986 and remain there for the next few years. But "$15 is a round figure that was chosen to represent a range between $13 and $20, and no one should get the false impression that it is a precise figure."

For its part, the SpB is assuming an average price of $18 during 1986. So the two reports are also in close agreement on that point. They also agree that the changes that can be expected in the price of petroleum and the dollar rate will be small in relation to the decline that has already occurred.

Based on its stated assumptions, the PKB's report predicts that the price per barrel of petroleum will decline from an average of 232 Swedish kronor in 1985 to 124 kronor in 1986. All other things remaining equal, that would result in a savings of 14 billion kronor, "like manna falling on the Swedish people from heaven."

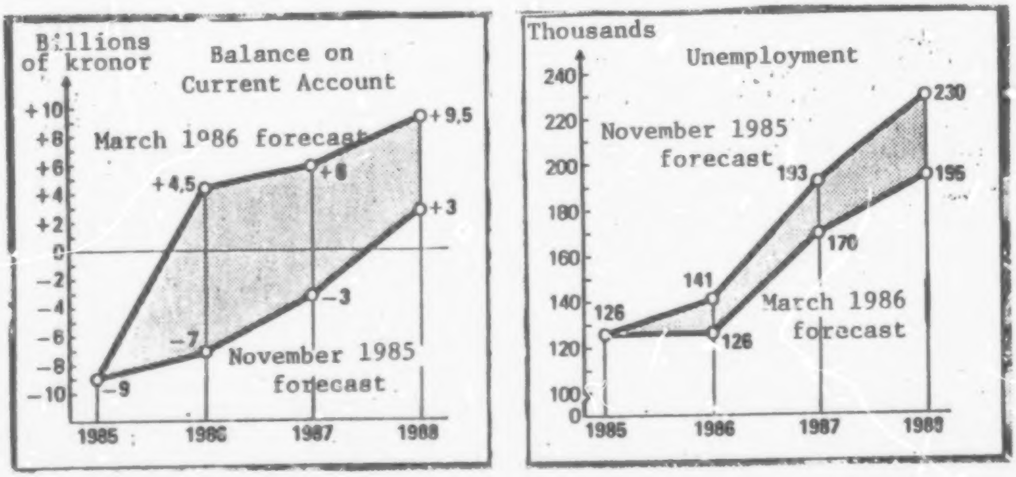
Forest Industry

But the PKB points out that things are not going to develop that favorably. Since all our foreign competitors have benefited from the same drop in the price of an important import, the price of Swedish export products will be lower than it otherwise would have been.

Added to that is the fact that the decline in the dollar is holding down the Swedish forest industry's prices by increasing the competition from North America.

On the other hand, the lower dollar rate will reduce the cost of our interest payments abroad. Taking everything together, the PKB expects Sweden's national economy to record a net gain of just over 10 billion kronor from what has happened to petroleum and the dollar.

The balance on current account, which according to the November forecast should have shown a deficit of 7 billion kronor for 1986, is now expected to show a surplus of 4.6 billion kronor. The prospects for 1987 and 1988 also look much more favorable (see the graph). The SpB, which in December was predicting a current account deficit of 5 billion kronor, now thinks there will be a surplus of 3 billion kronor.



Forecasts for the Swedish economy now look considerably brighter than they did only 4 months ago. The balance on current account is expected to show a surplus for 1986, and unemployment is not expected to increase.

Here are some other key figures for 1986 that shed light on the effects of what is called "OPEC III" by the SpB and "the oil shock in reverse" by the PKB. The figures are percentages, with the figures from the November and December forecasts shown in parentheses:

Economic growth: PKB: 1.8 (1.0); SpB: 2.0 (1.0).

Industrial investment: PKB: 5.0 (2.0); SpB: 6.0 (5.0).

Private consumption: PKB: 2.3 (1.0); SpB: 2.5 (1.5).

Consumer prices as an annual average: PKB: 4.0 (5.0); SpB: 4.5 (5.5).

Consumer prices from December to December: PKB: 3.0 (4.8); SpB: 4.0 (5.0).

Unemployment according to the PKB: 1986: 2.9 (3.2); 1987: 3.9 (4.3); 1988: 4.4 (5.1).

One-Time Occurrence

But the PKB emphasizes strongly that the economic effects of the drop in oil prices are a one-time occurrence. They will boost activity and reduce price levels during 1986 in comparison with what would have happened otherwise. On the other hand, our higher growth rate and lower rate of inflation will not be permanent unless stronger confidence in the future brings increased investment and greater scope for consumption makes the anti-inflation policy easier.

And the SpB warns: "It is chiefly factors from outside that give grounds for confidence in the Swedish economy in the short term. When the effects of that injection eventually diminish or cease entirely, it is important that the conditions already be created for a stabilization of Sweden's own problem areas: inflation and the balance on current account. It is important to take advantage of this newly won breathing space."

Purchasing Plans Included in New Barometer

Better quality, service, and reliable delivery are just as important as price if domestic subcontractors to Swedish industrial firms are to succeed in taking market shares away from foreign competitors.

That is the opinion of spokesmen for Swedish big industry, according to the "purchase barometer" included by the SpB in its latest economic report.

Following an American practice that is new to Sweden, the SpB asked 40 large Swedish firms in industry and retailing about their purchasing plans for the next 6 months.

Consumption up

The report says that overall, a definite increase in purchasing and production volumes is expected in Swedish industry during the period covered by the forecast. The picture is clearest in the engineering industry. But none of the industries represented (comprising the iron and steel, forest, and construction industries, chemicals, electronics, and miscellaneous industry in addition to the engineering industry) expects to reduce its production.

Also of interest, according to the report, is the retail trade's generally positive view of sales prospects. It therefore seems justifiable to predict a relatively strong increase in private consumption even during 1986.

Concerning the competitiveness of Swedish subcontractors, 50 percent of those responding to the questionnaire (measured by the firms' production value) said that the devaluation is still bringing benefits. Only 20 percent considered the price situation worse than in the fall of 1982.

Other Factors

But the participants in the panel emphasized that other factors play just as big a role as price in competitiveness. The SpB considers it noteworthy that a large number of firms want to see a considerable improvement in the reliability of deliveries by Swedish suppliers.

11798
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LARGE TRADE SURPLUS, HIGH INVESTMENTS SEEN FOR 1986

Stockholm DAGENS NYHETER in Swedish 20 Mar 86 p 10

[Article by Bjorn Anders Olson]

[Text] Sweden may have a very big surplus in its trade balance with the rest of the world this year. Exports will rise very rapidly, and at the same time, imports will decline. Industrial investments will also continue to rise.

That very bright picture--one of a great many recently--is revealed by the SCB's [Central Bureau of Statistics] surveys of Swedish industry.

Industry believes that Swedish exports, the value of which rose by 6 percent during the first 2 months, will accelerate during the year. For the year as a whole, the value of exports will rise by 11 percent. Thanks to small increases in Swedish export prices, export volume--which is actually more important than value--will rise by a full 8 percent in comparison with last year. That is almost three times larger than the increase last year, when export volume was up by 3 percent over 1984.

Imports Down

The largest increase in volume--12 percent--will be accounted for by the engineering industry. Paper and paperboard will show a 7-percent increase in export volume, iron and steel products will rise by 6 percent, and chemical, rubber, and plastic products will increase by 5 percent, while the exported volume of paper pulp will in fact drop by 3 percent.

Combined with that positive development are industry's views on imports. The big drop--a 10-percent drop in value during the first half of the year--will in fact be due essentially to falling oil prices. But even in the long run, imports of engineering products, for example, will decline by 6 percent, while food imports will drop by 10 percent, and so on.

When the Banking Company of Swedish Savings Banks and the Postal and Credit Bank published their revised forecasts last Tuesday, they expressed the belief that exports would rise by about 4 percent. According to industry, however, the figure will be twice that at 8 percent.

Twice the Surplus

The banks felt that imports would increase by about 5 percent. The firms, which, it is true, are in the habit of underestimating imports, are more inclined to think that the volume of imports will not change.

The Swedish trade balance, which showed a surplus of 16 billion kronor last year, should end this year at 27 billion kronor, according to the Banking Company of Swedish Savings Banks. A weighting of the export and import survey indicates that the surplus might be almost twice that. We will know the answer in a year's time.

As far as investments are concerned, however, industry is more pessimistic than the banks, both of which feel that industrial investment will rise by 5 or 6 percent this year. The survey points to almost no change in this year's investment level in comparison with last year's.

Highest Level

The pulp, paper, and paperboard industry showed an exceptionally high investment level last year. If those branches of industry are excluded, the volume of investment by the rest of industry should rise by 5 percent--and that is the figure shown in the forecast by the banks.

All indications are, therefore, that investments this year will reach their highest level since the boom year of 1975.

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LOW OIL PRICES, INTEREST RATES MAY OVERHEAT ECONOMY

Stockholm DAGENS NYHETER in Swedish 20 Mar 86 p 10

[Commentary by Jan Magnus Fahlstrom: "Feldt's Tough Dilemma"]

[Text] Is an excessively rapid rise in private consumption threatening to ruin the chance to achieve better internal and external balance in the Swedish economy that has been provided by lower oil prices and a cheaper dollar?

Bengt Dennis, governor of the Bank of Sweden, is worried that the recent reductions in interest rates, which were put into effect to stimulate investment, will drive consumption up too high. But the remedy, he says, is not an increase in interest rates but a tighter financial policy.

A tightening up of financial policy is also anticipated in the two latest bank forecasts--those by the Banking Company of Swedish Savings Banks (SpB) and the Postal and Credit Bank (PKB).

The government's supplementary budget bill, which will be submitted in April, should include a number of restrictive features, according to the SpB: "It is necessary that there be an economic policy to prevent consumption's role as a motor of growth from being further encouraged" and that the government live up to its goal of seeing to it that increased demand and growth arise primarily from investments and exports.

The PKB expects real after-tax incomes to rise by 2.8 percent this year if no countermeasures are adopted, but it considers that to be more than government authorities can accept. "We have therefore assumed that purchasing power corresponding to 0.5 percent of disposable incomes will be taken away."

The minister of finance wrote in January's budget proposal that the government would not "hesitate to adopt corrective measures" if there were runaway wage increases. During the National Economic Society's debate on the budget, he said he had plenty of weapons in his arsenal in case a tightening up of financial policy were required.

What weapons? A tightening up of financial policy can mean measures aimed directly at private consumption--read tax increases. Or it can also make room for an increase in private consumption without overstraining the national economy by holding down public consumption.

What the latter means in plain language is reduced subsidies, and what that means in practice is primarily subsidies to municipalities, but the state may also withhold local tax money to force the municipalities to show restraint in their expenditures. Doing so also hits private consumption indirectly.

The problem here is that certainly many, but not all, municipalities have plenty of money. It is hard to come up with a system that does not treat everyone alike--one that will spread the burden in some manner.

On the whole, it can be difficult to tighten financial policy by means of spending cuts that will hit the mark and work sufficiently fast at the same time. It is easier and faster to increase taxes that are aimed directly at private consumption.

Removing purchasing power equivalent to 0.5 percent of disposable incomes--which is what the PKB assumes the government wants to do--will require tax increases high enough to soak up about 2 billion kronor.

Increasing the value-added tax by 1 percent would yield 3 billion kronor. But in the election campaign, Kjell-Olof Feldt made a firm commitment that there would be no increase in the value-added tax in 1986. If, despite that, he were to come up with such a proposal now, he would have to endure a rough storm of criticism for breaking his promise. Besides, it is not likely that such a proposal could be gotten through Parliament.

That leaves selective taxes. The big items here are the taxes on oil and gasoline, which yield about 18 billion kronor at current rates, and those on liquor, wine, and tobacco (about 11 billion kronor).

We can safely assume that alcohol and tobacco are in the danger zone. In their case, there is no major opposition to be overcome in Parliament. A 10-percent tax hike on that immoral consumption would bring in about 1 billion kronor.

Increasing the tax on oil and gasoline is a more sensitive matter. A tax hike would affect industry's production costs, homeowners, and families with children and hit hard at thinly populated areas, where driving distances are long.

But the "petroleum bill" will be about 10 billion kronor less this year because of lower oil prices and a cheaper dollar. Taking back part of that through higher taxes would not be so expensive. Besides, it would fit in with the energy policy's goal of holding back our dependence on oil. Oil and gasoline are also--or should be--in the danger zone. But any tax increase has the disadvantage of driving up inflation.

Then, of course, there is also another way out, and that is to reduce the rise in disposable incomes from 2.8 to 2.3 percent by agreeing on an income policy that would hold down wage increases with the promise that wage earners would be spared any tax increases.

Such a step would also help preserve Swedish competitiveness. But surely something like that is too much to ask for, is it not?

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'DISASTROUS' CONSEQUENCES OF LOWER OIL PRICES

Paris LE FIGARO-MAGAZINE in French 22 Feb 86 pp 80-82

[Interview with author Albin Chalandon by Georges Suffert; date and place not given]

[Excerpts] [Question] In the book that you are currently bringing out, "Quitte ou double" [Double or Nothing] (Grasset), your attitude toward the French government, and in particular toward the socialist government, is one of impressive yet calm severity. You accuse government officials of perpetual disorder.

[Answer] That is the truth. The scope of imagination possessed by the higher officials who govern a nation is conservative. Between 1945 and 1955, things went well because we were in a period of reconstruction. Whence the accelerated expansion. But what was being reconstructed? The pre-war industrial world. The government had to bring order into the affairs of its powerful basic industries such as coal and steel. Twenty years later, French coal has been left to its own devices because it has proven to be too expensive; and our iron industry continues to lose money. May I draw your attention to the fact that all other industrial nations have surmounted the iron crisis; France is the only nation that subsidizes a bottomless pit, and also the only one that has invented the concept of the "fifth team" in an iron-working enterprise. It is clear that all the money we have thrown into this bottomless pit should have been devoted to educating and training people. Today we need minds and investments. We have not educated the minds and we have squandered our investment potential.

[Question] So we are going to witness new bankruptcies?

[Answer] That is not definite. In visiting plants in the north I am impressed to observe that the older firms, by and large, are ready to invest, to be refurbished from top to bottom, but they do not have a sufficient financial margin. And it is in that regard that the socialist government is a disaster. As long as the socialists are in power, the directors of these firms will not take sufficient risks. Today they are afraid of the government; for them it is a permanent threat, a mixture of hair-splitting bureaucracy, fiscal inquisition, etc. If you relax the restrictions, many people will agree to take risks these days. All the more so because beginning with its era of severity, the government did take some intelligent steps. Le me say that there are some islands of profit and modernization in a sea of losses and decrepitude. In any case, I assure you that to some extent flexibility already exists. In the business firms in my region, when an unexpected order arrives, no one argues. They manufacture the product as quickly as possible, and no one protests the extra hours, the Saturdays and Sundays. The client has truly become king.

[Question] According to you, then, the bottom line is the rise of computer technology that has deprived the government of its role as entrepreneur?

[Answer] Let us say that computer technology has accelerated the phenomenon because it has created small, mobile enterprises. It is a question of sticking to the terrain, of adapting oneself to the demands of a shifting clientele. Can you imagine the financial pundits setting about exploring this jungle? They would "plant" themselves in the smallest holes. As for the socialists, they are the champions of budgetary gerrymandering.

A Third of the Hospitals Are in Debt

[Question] Explain that to me!

[Answer] The list is too long. I am going to give you a few examples. With respect to the iron industry that we were just talking about, for example, a series of budgetary reports have made possible a transfer of the 1985 balance to 1986 and the 1986 balance to 1987, in consideration of which the next government will be the one to receive the bill. Another case, social security. Do you know that a third of the hospitals do not pay their tradespeople? Or, put another way, their payments are a year in arrears. This is deficit financing. There again, it will be up to the new majority to settle accounts. The same thing is true of the shipyards; the government guarantees the upkeep of their sites (of which there are five), so the workers are under the impression that there is no danger of their not remaining there, and the payment of the bill is put off until the spring. Jacques Chirac has brought it to our attention that subway fares will be increased on 17 March. This is rather spectacular. And it is true for most of the public services.

[Question] Don't all governments cheat during elections?

[Answer] Of course. The question is to what extent. I limit myself to taking note of the fact that the socialists do not take halfway measures. In terms of inflation there are between two and three degrees camouflaged under the present false figures.

[Question] In your book, however, you show that one can despoil the government. You did so in the matter of highways, low-cost housing, etc.

[Answer] Right. One can move the mountains of bad habits, but only slightly. When I proposed thousands of kilometers of new highway construction, the minister of finance nearly had a heart attack. But he recovered. Today the highways exist. For the first time--in our day--the public works enterprises discovered that they could work under government supervision. It is this revolution that we must henceforth extend through the entire country, which is psychologically prepared for it, it seems to me. We do not have much to lose; it's a case of "double or nothing."

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CENTRAL BANK DIRECTOR ON COUNTRY'S OIL PRODUCTION POLICIES

Oslo AFTENPOSTEN in Norwegian 13 Mar 86 p 6

[Op Ed Article by Hermod Skanland, head of the Central Bank: "A Norwegian Policy for Oil Production"; first paragraph is AFTENPOSTEN introduction]

[Text] "The conditions for the recommendations of the Petroleum Report which were discussed in the Storting one year ago have weakened, and we do not have a basis for a long term petroleum policy in this country," points out the head of the Central Bank, Hermod Skanland in today's op ed article, in which he discusses the events which have taken place and what further should be done.

It will soon be three years since the Tempo Committee put forth its report about the future of petroleum activity, and one year ago the Storting discussed the Petroleum Report, which was the outcome of the Oil and Energy Department's dealing with the issue. During the time which has passed we have gained experience which can be the basis for saying "once again" to the conclusions which were reached.

The Tempo Committee concluded that the main criterion for the tempo of petroleum production should be based on how dependent on oil we want to allow ourselves to become. Therefore we must have a long term goal for state income from petroleum operations seen in relation to the country's total income. Investments must be adapted to this, but because the relationship between investments and income is uncertain, a petroleum fund must be established which could serve as a buffer between variations of income and planned use of income.

The Petroleum Report took another route. They considered that the relationship between investments and income was too uncertain to rely upon. Instead they chose to mainly consider the offshore-directed industries as a basis for the petroleum policy, especially in view of the desire for an even and predictable level of investments. In addition there must also be decisive consideration of incomes, as they refused to influence production by any other means than the rate of expansion.

They wanted to avoid the danger of increased dependence on oil through a "long term disconnection" between income and utilization. The outline of such a disconnection was prepared later in the Long Range Program, but criteria were not laid down which would guarantee that it would be long term.

Experiences

Experiences during the past couple of years should have taught us the following:

(1) Prices are just as uncertain as stated both in the Tempo Committee Report and the Petroleum Report.

(2) "Disconnection" is very difficult, even within a four-year planning period such as the Long Range Program laid the foundation for. We have not developed any mechanism for "long term disconnection," and probably it can not be done.

(3) Even during an international business boom we have not been able to control investment activity so as to avoid pressures on the offshore-directed industries.

The conditions for the recommendations of the Petroleum Report, which the Storting approved, have therefore weakened, and we are left without any basis for a long term petroleum policy.

That is more important than the fact that prices have fallen, which was predicted.

What Can We Do Now?

We can continue as if nothing has happened and let consideration for the offshore-directed industries be decisive.

That can mean increasing capacity which will give a production increase at a time when perhaps prices will also increase. We will again have a big increase in income which we will have few possibilities to limit the utilization of. At the same time our dependence on oil will increase.

Our other possibility is to form an oil policy which uses production rather than investments as its basis.

It is important in this connection to understand that production of oil and gas is only partly production in the usual sense that creates profit from work and capital. It is mostly a transformation of assets from lying under the sea floor to bringing them up for use. In 1985 the relationship between the two components was about 1:2. For society in the long term it is the extent of this transformation of assets which is the most important element of the petroleum policy. It is this asset which we must try to get the most out of.

Evaluation

From this viewpoint and based on today's oil prices we can evaluate our production policy assuming higher as well as unchanged oil prices in the

1990's. In both cases we must also evaluate the consequences of our being wrong.

If we expect higher oil prices in the 1990's it should be sensible to limit production now in order to be able to produce more at higher prices later. Against this there can be the objection that we must expect the accrual of interest from income which we produce now until a subsequent time later, but this objection has little validity if we use up the money. If we are wrong in our price expections so that the prices remain at a lower level, nothing happens except that we adjust ourselves earlier to live with a lower oil income.

If we expect that oil prices will remain at their existing level, there is less to be gained by waiting to produce it, realizing the danger that this can mean greater dependence on gas and a weaker market position in the 1990's. If we are wrong in our price expectations we will get a new increase in income with the control problems that we have experienced, with the danger of increased dependence on oil.

Incorrect Conjecture

From the above reasoning, it is not so important to guess about the price. Only if we feel reasonably certain that the price will not increase is it sensible to increase production, and obviously more so if we believe that the long term trend is falling. The most common, although somewhat uncertain expectation on prices is, however, that within a 10-year period prices will again rise.

An oil production policy will require that the state utilize its authority to limit the companies' oil production. That could raise certain problems with regard to servicing the loans which have financed the investments. But in spite of everything that is a problem for the financial organizations which can be solved between the state and the companies if it is concluded that society is served by a slower rate of production than the companies have decided upon, which would give increased production until 1990.

If it is decided that it is in our national interest to limit production, for example to the 1985 level, this would fit in with the interests of other oil producing countries, but would not bring about negotiations or any other organized cooperation with OPEC. Our relations in this direction must be able to continue on the basis of reciprocal information.

Neither should it make more difficult our relations with other industrialized countries. It cannot reasonably be expected that we will destroy our future economy by producing oil in a weak market. Neither are their own financial policies so impressive--and that applies especially to the United States--that they have any reason to rejoice if we do not succeed in controlling expenses independent of income.

The production strategy implied here means that we have gone full circle and are back to a production ceiling. The Tempo Committee tried to establish a production criterion which was reasonably well founded in the national economy, but which was admittedly of little operational effect. The Petroleum Report established a criterion which was narrowly based, which perhaps was of less effect than expected, and which would produce entirely arbitrary and probably dangerous results in the social economy when the "long term disconnection" failed. Perhaps the point of departure was not so bad after all.

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West Europe Report

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POLITICAL DENMARK

LEFT SOCIALISTS LEADERSHIP DIVIDED ON SECURITY POLICY

Chairman Interviewed on Resignation

Copenhagen INFORMATION in Danish 21 Feb 86 p 4

[Article by Stig Albinus and Erik Meier Carlsen]

[Text] Preben Wilhjelm has now been overtaken by his party's reformist "red realists." He is also disappointed because the party has so little understanding of what the term "democracy" means. Last fall, after 17 years in the service of his party, he resigned from the Executive Committee to devote himself to problems involving the justice system.

Recently Preben Wilhjelm, who for almost 1 decade has personified VS (Left Socialist Party) in the eyes of the general public, took up other pursuits.

Last year he struck a significant blow for a project he had been involved in for many years--getting the party to accept an understanding of democracy that would expand on the freedoms and rights advocated by the nonsocialists and would limit them under no circumstances--as has been the rule under socialist regimes.

The effort was a success. Wilhjelm, who has been widely praised as a member of parliament, "fell victim" to the party's rotation rule in 1984. This rule prevents VS members from holding a paid, full-time position of trust for more than 8 years.

He himself was extremely active in having this rule adopted.

After the victory at the last congress, Wilhjelm allowed himself to be voted into the Executive Committee. Just a few months later, however, he resigned.

"At the last congress we finally confirmed the obligatory support of democracy, which some of us had fought for, as part of our understanding of socialism," he said.

"Others in the party and I thought this was such a powerful demonstration that we wanted to point it out to the rest of the world--since, otherwise, the party was and still is in a difficult situation."

"This is why I accepted being elected to the Executive Committee. I resigned last fall for personal reasons. I did not have the time. During that period, as I said, I had been able to attend only about half the Executive Committee meetings, since I had plenty to do with seminars and meetings throughout the country that were related to problems with the justice system. I find these problems no less important and, in many respects, they are more satisfying to work with."

"After 25 years you become tired and impatient when you must sit through the same discussions again and again."

Disappointed

After the approval of the democracy resolution, were you disappointed because the party did not follow a more positive line?

"Yes, I would say so, but that is not why I resigned. After all, during the 17 years in which VS has existed, I have become accustomed to being disappointed."

"But you are right. Considering that we had completed this rather extensive debate, it was disappointing that many members of the Executive Committee had failed to understand or to assimilate that which had been approved."

How was that made manifest?

"Both on the question of the Afghanistan demonstration and with regard to internal party democracy. In the past, our employees have been subject to the controversial "political tests," where after each new congress our secretaries were 'evaluated.' Once again, we seemed to be falling into this same old groove."

Democracy And Workers' Majority

How much does the question of democracy have to do with general political considerations, for example the discussion of a workers' majority, which will be brought up for discussion this weekend?

"It has very little to do with that. Obviously, the concept of democracy is one of the most important political questions that can be discussed. The debate uncovered fundamental disagreements within the party. In principle, however, the discussion of a 'workers' majority' and 'reform politics,' as we called the debate previously, can go off in different directions."

Moving Very Rapidly

You have not been disappointed in this area?

"No, no, no. I believe things have moved quite rapidly in that area. The reform discussion is very old and has existed at least since VS gained representation in parliament in 1975."

"If you consider the difficulties we had maintaining a certain positive line during those years, then I believe we have moved quite rapidly."

"Think about our first efforts in the discussion of unemployment. Our jobs plan suffered an extremely miserable fate within the party, since it attempted to take the balance of payments problem seriously."

"Many members who later called themselves 'reform politicians' and 'red realists' and whatever else they might call themselves were, nevertheless, against the jobs and balance of payments plan at that time."

"Then they continued with their pragmatic positions on economic policy, economic democracy, and now security policy."

"So, I do not believe that we should be too disappointed because things have not come out better."

Do you believe that, in the rush, any of the prerequisites for your reform work have been lost? As I remember your position, one of your decisive points was to reject compromise as a matter of principle since, as you said, "VS supports anything that means progress--however small--for the working class, but rejects anything that would mean a step backward--however small."

"Yes, but that does not mean that we reject compromise. Whenever we have been included in the discussion at all, we have been open to negotiated solutions that we believe are inferior to our own proposals."

"But there is a difference between accepting compromises and accepting something that would mean a step backward."

"We have opposed comprehensive agreements in which we would be forced to swallow something that would worsen the situation directly and that would go against the policies of our party."

"It is correct that for many years it has been not only my position, but also that of the party, to reject such package solutions. It was not so much a matter of 'clean hands'."

"As things are done at Christiansborg, however, the very mode of operation is a direct hinder to party democracy. The troubling aspect of this is that the other parties accept it."

"They negotiate under the pressure of deadlines and under conditions that make it impossible for them to inform even their own inner circle. When compromises are being negotiated at Christiansborg, it makes you stop and think when you see members of the parliamentary groups of the negotiating parties turn to the TV news to see what their negotiators are saying."

"This has occurred many times. The formation of an SV government was a great surprise to many."

"We do not believe that this is the role a party should offer its members. Consequently, according to our structure, it is the Executive Committee, not the parliamentary group, that takes a position on all major issues. The committee members are not professional politicians and they have other contacts. This is also important."

"As we have said, the manner in which work is done at Christiansborg prevents us from participating."

"On the other hand, we have demonstrated clearly that no one needs to feel stabbed in the back. We say in advance how we will vote. We do not come out with sudden surprises."

"It is clear, however, that the workers' majority discussion changes the position we have held somewhat."

"But this is not as fundamental a change as some think. As an example, as early as 1975 we made a clear exception to our principle. In a concrete, individual situation, we cannot simply dismiss a government such as a Social Democratic or Socialist People's Party government, which we might prefer, by simply saying, 'Just do as we say and your government need not fall'."

"We cannot take that position in good conscience, when it comes to the final approval for the budget. That is a question for the cabinet, due to constitutional considerations. When I realized that in 1975, as political chairman, I went straight to the Executive Committee, which approved a measure, according to which we could vote for certain setbacks by voting for the final budget proposal. Of course, we would still emphasize our own positions during votes on individual points in the budget."

"Basically, this is the discussion that has now been expanded and now comprises the discussion on a workers' majority."

After Schluter

But the situation you are describing is still a totally transparent situation. Reality demands something other than transparency, does it not?

"I do not mean to say that nothing has happened since 1975."

"Very much has happened in our discussions. Of course, the new plan for a workers' majority will be carried out at the expense of transparency."

"And this will probably lead to the next step, namely no longer refusing to give up anything, even if such a loss is contained in a package that, on the whole, seems defensible."

"This new approach arose politically and psychologically through our experience with the nonsocialist government."

"I admit that, from 1975 to 1982, VS was hardly prepared to discuss a break with these principles, which applied to every area except the budget. Until we experienced the nonsocialist government and the catastrophic emergency policies of the past 3 or 4 years, we were not even prepared to take up the topic for discussion, which we have now done."

Is that an admission that refusing to use a shifting majority has strengthened the nonsocialist parties?

"Yes, in part, but it is also an admission that you will hardly see a Social Democratic government seriously trying to use a shifting majority. But a Social Democratic government will have more or less of a preference--experience tells us it has more of a preference--to blame everything on the left wing and allow itself to be ousted or, at least, 'hindered in its work' by the left wing."

"This admission is a rather strong reorientation--more for certain sectors of VS than for me personally. Some of them have made a quick about-face."

"I believe that, in the past, there has been a childish contempt for anything resembling a workers' majority and for the advantages of a Social Democratic minority government."

"VS has had some stupid discussions concerning whether or not a Social Democratic government was preferable to a nonsocialist government."

"Here, our experience with the Schluter government has shaken some people."

"The main problem with acceptance in principle of compromises that result in setbacks is our need to take party democracy into account. We do not act under pressure. The whole idea of all-night negotiations and journalists poking microphones into the faces of the negotiators is totally destructive to a system of party democracy such as ours. If we were to begin operating in this way, we would have to do everything possible to avoid shocking our party members and voters. We would have to anticipate all possible situations that could arise."

"This is what Birkholm is now doing with security policy."

Disagree With Style

"I disagree strongly with him on much of its content, especially when he presents it as an ideal plan, rather than something we may be forced to accept."

"I would prefer to see him present it as something we may be forced to live with, since we do not have a majority in favor of our position or that of the peace movement. It is just something we can support realistically, in cooperation with the Social Democrats. But it is certainly nothing that we really want. Any thought of a military defense of this part of the world is total lunacy."

"I am also annoyed by his style. I always tried to prepared the party for a shock, when I was in a position to do so. This is an extremely poor method of operation. It is totally foreign to VS."

"Just think of all the time we have spent and the chances to take the offensive that we have lost because we have placed such great emphasis on discussing everything in advance."

"We have certainly lost many opportunities in the areas of jobs, housing, and others."

"Klavs' style is extremely annoying and unfortunate, but the party's style in approaching such foreseeable problems in the past has been so reluctant, uncommitted, and slow that Klavs' methods may be partly forgiven. At least what he does forces the party to discuss the issues. It should not be necessary to force the party to act in this way. I have not done so, but my approach has caused us to lose ground and has made us lose opportunities to take the offensive."

"The balance-of-payments and jobs plans were presented for the party to discuss, but it took 5, 6, or even 7 years before we began, somewhat half-heartedly with the 'red experts' report,' to take these matters seriously."

"In the meantime, others appeared on the scene. When we first began, it was before the employment plans of the Social Democrats, before there was an alternative energy plan, and before the labor unions began working on these issues. But the party's reluctance to act and the demand for discussions within the party held us back."

Disagree With Holmsgaard On Economic Democracy

Do you agree with Anne Grete Holmsgaard and her position on obligatory profit sharing, which she presented for the first time just before the latest VS Party Congress?

"No, I do not agree with Anne Grete and her views on economic democracy. After all we have seen with regard to how money should be used, we have no reason to believe that it will be an instrument for restructuring society. I have read carefully what chief LO (Federation of Trade Unions) economist Poul Nyrup Rasmussen said--and this is some of the most articulate material that the Social Democrats have produced--on the use of wage-earner funds. It is hard for me to see that they would be much different than the minor examples we have already seen with the ATP (General Supplementary Pension System) fund and others, which have not been used for any promising or alternative projects, at all--and even if we had the courage to invest in some extremely risky alternative project, we would still have to ask ourselves why on earth reasonable investments in the environment, etc., must be made through forced savings that are financed solely by wage earners and not by the taxpayers in general. So, I believe there are still too many unanswered questions. If we look at our general experience with how the capital market works, the answers will not be very pleasant."

They Streaked By

Is that an example of how some things have been moving faster within VS?

"It was rather sudden. We had little forewarning about it. It is also an example of presenting new ideas and opinions in a manner that I do not support. I have never used that style. Instead, I have always made sure that the party participated. I must admit to Anne Grete, however, that she achieved a faster and more serious discussion of the economic democracy question than she ever could have by using my style. I believe that the party is at fault here. It would have been ideal to use my approach, but it would have been unbelievably slow."

Your conclusion is, then, that the "red realists" have gone too far to the right?

"No, I would not say that. A lot depends on how their proposals are seen. If we see them, as I would prefer, as extremely important topics that must be discussed, with fewer preconditions than in previous VS debates, in the light of the possibility of a workers' majority, for example, then I agree that it is important to discuss them. It is extremely important for us to foresee situations, so that they can be discussed out in the hinterlands before we suddenly take a position on them at Christiansborg and suddenly surprise the entire party. In this sense, it is commendable that they have brought all these important questions into the debate, so that the party can discuss them. If they believe, however, that all their proposals--including the economic democracy proposal and Klavs' security policy proposal--are something that we can support whole-heartedly, instead of something that we could justifiably support because we want a workers' majority to function, then I would have to disagree with them on these two points."

Then there is a difference between discussing what VS may have to support under a workers' majority and discussing what VS itself would like to achieve under a workers' majority? There also seems to be a difference of opinion as to whether a workers' majority is a strategic point in itself or an unpleasant tactical reality with which VS must deal?

"Yes, that is true."

Prefers VS Outside Majority

You stated previously that you hope VS will not be part of a workers' majority. It is more important to be a critical force in parliament than to participate actively in its policies. Is this true?

"I still believe that is true. The ideal situation not only for VS, but also for SF (Socialist People's Party), would be for the workers' majority in parliament to be so great that the Social Democrats and SF alone would hold a majority. That would be better not only for VS. I believe I also said before that VS would fall apart at that time. That was 2 years ago. I am convinced that VS would have fallen apart if the party had been part of a workers' majority in parliament. The situation has changed dramatically and it is because of Anne Grete, Klavs, and the 'red realists' who, through their provocative proposals, have helped prepare the party for this situation. In this sense, it is somewhat easier today, although it is still difficult."

"I still maintain, however, that it would be a more ideal situation if the workers' parties had so many seats in parliament that the Social Democrats and SF alone held a majority. I believe that few SF members would disagree with me when I say that the existence of VS has been of great importance in keeping SF in its present position and making them reevaluate their experience with previous workers' majorities. As we know, SF has just been through a good reevaluation process. I believe that SF handled the situation quite well when it was part of the parliamentary majority that, together with the Radical Liberal Party, was to form the foundation of a government during the final term before Anker resigned. In this situation, the Social Democrats took every opportunity to blame SF for everything, while the Radicals were permitted to make all kinds of promises and then go hide, without ever being blamed by the Social Democrats for the downfall of the government."

"I still believe, however, that it would be far more advantageous for the left wing as a whole if five or six seats in parliament were occupied by someone--whether it be VS members or others--who could be more critical of the workers' majority."

No Illusions About Social Democrats

How is it possible to mobilize support for such a critical position? It is as if you do not want to have influence. VS is supposed to act as a catalyst for SF. Is the idea that the Social Democrats will act, while certain critical parties stand along the sidelines?

"No, I do not believe that is true. I have no illusions about what the Social Democrats would do in such a situation. I believe that much of the discussion about a workers' majority is far too optimistic with regard to what the Social Democrats may be expected to do. This does not correspond to our previous experience. On the other hand, we must admit that there has hardly been another time in the post-war period--apart, perhaps, from 1945-1947--in which the Social Democrats have been on the march as strongly as they are now. But we have seen in the past that the tactical positions they have taken during a period in opposition have been totally forgotten once they regained power. There are some indications that the changes may be more permanent this time. As an example, their new course in security policy seems to represent a genuine change, but experience tells us that we should not expect the Social Democrats to utilize a workers' majority for any particular positive goals."

An Ideal Model

Are you not pursuing an ideal model that is incapable of mobilizing support?

"Yes, of course, it is an ideal model and we have been disappointed in it many times. On the organizational level, however, VS has represented positions that are so innovative--not only in the Danish context, but on the left wing in general--that they must be seen as a fantastic experiment. Some of these things are now accepted and more traditional, although we were ridiculed for the way in which we structured the party in the beginning: no chairman, but collective leadership. That was totally ridiculed. Important political decisions are made not by the parliamentary group, but by an elected leadership of nonprofessionals. That was also ridiculed. We have protection for minorities and freedom to form factions. That was all ridiculed, as well."

"Of course, we have had our share of disappointments with this and I have made no secret of the fact that the protection of minorities has sometimes been used for ridiculous forms of sectarianism. Still, some of these points form an extremely unusual experiment that, despite everything, has lasted for 17 years. At every congress, someone has said that the party was about to fall apart. This could still happen at some time or another, but so far we have gone on, despite all the disappointments. We have also gained tremendous experience. No one else has dared to pay the high price involved in such an experiment."

Not Fault Of Party Structure

A good party structure may be fine, but what if your party is seen as a sectarian discussion group?

"I do not believe the organization of our party has ever prevented us from having influence. We have been kept away from direct influence. With three exceptions, we have never directly taken part in negotiations. But our insistence on party democracy has never been the problem. It is the same reasons for which the Social Democrats could not stand SF during the first 10 years. On the other hand, I would say that we have had no problems, on the few occasions we have been involved--even though compromises were involved. The first case was the property tax moratorium of 1978. The second case was the condominium freeze in early 1979."

"It is possible, however, that a situation could arise in which there is a conflict between our desire for party democracy and our desire to be included in major agreements."

Special Congress Postponed

Copenhagen BERLINGSKE TIDENDE in Danish 1 Mar 86 p 2

[Article by Jesper P. Jespersen]

[Text] Despite common long-range goals and some reconciliation between the extreme wings, the VS leadership still disagrees on what the basic position of the party actually is. The extraordinary congress has been postponed until September.

The approximately 1,200 members of VS will have some time to decide what political line the party should follow. Consequently, an extraordinary party congress that had been planned for May will be postponed until September of this year.

The three groups within the VS leadership--the red realists, the middle, and the left opposition--still disagree on how far the party should go in seeking compromises with a future labor government.

Took Exception

This was made clear at a press conference yesterday at which Elisabeth Bruun Olesen of the left opposition took exception with almost every form of compromise, while red realist Anne Grete Holmsgaard told centerist Keld Albrechtsen that she still believed in the importance of the extraparliamentary struggle. In more conciliatory tones, however, she said that there was no point in rejecting all compromise. "The people can still tell the difference between SF and VS," she said.

They also used the opportunity to stress that neither Anne Grete Holmsgaard, Jorgen Lenger, nor anyone else was leaving the party.

9336
CSO: 3613/77

STATISTICIAN REEXAMINES IMPLICATIONS OF DEMOGRAPHIC TRENDS

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German
7 Feb 86 p 4

[Article by Prof Dr Max Wingen, president of the State Statistical Office of Baden-Wuerttemberg, Stuttgart: "A Way out of the Demographic Dilemma? Shifts in the Social Budget"]

[Text] In recent sociopolitical discussion a theory turns up time and again that offhand is quite plausible sounding, which, however proves to be problematical with a closer look and viewed in the long run even quite dangerous. It is argued that a one-sided picture of increased burdens for the gainfully working generation arises if the great increase in the ratio of the aged to be derived from the various demographic model calculations alone is stressed--at least in terms of trends; this increase in the number of elderly and very old people related to the number of (potentially) gainfully working persons (between 20 and 60 years of age) is accompanied by a more or less corresponding reduction of the youth quotient, so that the total share of burden, after it will initially be even slightly declining in the next few years, by the year 2020 will be at level once again that is barely higher than the present level. The course of the total share of the burden, in final analysis decisive, is basically not so worrisome in light of an "overall consideration"--precisely because of the offset provided by the compensating reduced expenditures for the coming generation, it is claimed.

This argumentation figure deserves special attention because of its importance for the discussion of central sociopolitical aspects in intergenerative view. To come to an important point of the result first: As much as the population statistical data appear to confirm this theory, as little does this view really withstand profound consideration, especially for the following reasons:

(1) The demographic age quotients cannot be automatically equated with economic burden shares. For one thing, demographic age quotients are solely based on the populations' age structure; the generation not yet gainfully working or no longer gainfully working delimited according to age groups is then compared to the potentially gainfully working generation also delimited by age groups. However, economic load shares try to measure the effective economic load of the actively gainfully working. This economic load consists in the fact that the gainfully working population transfers part of the social product to the

Model Calculation on the Future Development of the Total Population by Age Groups

Altersgruppe (1)	Stand (2) 31.12.1983	Modellrechnung (3)				
		1990	2000	2010	2020	2030
		in Millionen (8)				
(4) unter 20	14,9	12,2	11,6	9,7	8,1	7,6
(5) 20 - unter 60	34,1	35,0	32,2	30,2	27,2	22,2
(6) 60 u. älter	12,3	12,9	14,6	15,0	15,6	16,7
(7) insgesamt	61,3	60,1	58,4	54,9	50,8	46,4
		in v.H. (9)				
(4) unter 20	24	20	20	18	16	15
(5) 20 - unter 60	56	58	55	55	53	48
(6) 60 u. älter	20	22	25	27	31	36

Key:

1. Age group
2. Status as of 31 Dec 83
3. Model calculation
4. Under 20
5. 20 to under 60
6. 60 and older
7. Total
8. in million
9. in %

German population: present fertility level, further slight reduction of mortality rate; foreign population: emigration up to 1990; immigration again after the turn of the century.

(New Model calculation of the Federal Statistical Office; Model I) not gainfully working population (not only to the not yet gainfully working youngsters and the no longer gainfully working old people, but also to the not gainfully active and unemployed), namely in monetary form or in kind, within the framework of private or public, individual or collective institutions.

How big the difference between both proportional shares may be is demonstrated for example by the legal national pension insurance scheme (GRV) in the comparison of pensioner's quotients (ratio of those receiving pensions to those making contributions) and demographic age quotients: If the calculations are made on the quotient of pensioners, the latter provides a clearly more unfavorable picture than the purely demographic age quotient. The quotient of pensioners among other things, cannot be directly derived from the demographic age quotient because it is influenced just as much by changes in the average age at entry into gainful work and at entry into the pension phase as by changes in the participation in gainful work by married women. According to available model calculations, this load in the GRV expressed in the quotient of pensioners will experience a comparatively greater increase in the coming decades and will grow continuously (instead of easing up in certain periods, as the course of the demographic age quotient could suggest). To determine the economic load shares, in the second place, data are required on the share of the national income which the gainfully working turn over to the children and the aged (not gainfully working); information is needed on the relative income level of children and the aged. Corresponding data which comprise all incomes and are consistently calculated at present are not available for the FRG; this is true especially because the care of the children and the aged is the responsibility of very different social institutions and because private and public payments in kind and in money can be calculated and compared only with difficulty. Therefore it cannot be stated with satisfactory accuracy whether children "cost" society more than the aged do. Thus analogously the same applies to statements on the effects of load or easing of the changing age structure.

At any rate some aspects on the question of load or easing effects in the redistribution between the generations can be mentioned, which suggest treating the initially mentioned theory with some critical reserve:

(a) The expenditures for the aged could grow disproportionately with the increase in their share in the population as a whole because in our country there exists an especially high new and replacement demand of infrastructure facilities particularly in the field of the (outpatient and in-hospital) care for the aged. A further factor in the increase lies hereby in the costs of the diseases of the disproportionately growing group of "the very old," particularly the (quite few) tangible age-specific disease cost profiles indicate a clear increase in health expenditures with rising age (thus in the latest health budget for Baden-Wuerttemberg).

(b) As regards the children and youth load share, it should be further remembered for the transformation of the demographic quotient into an economic load share that the expenditures for the coming generation for several reasons will not proportionately decline with the reduction in the number of children and youths:

--In the infrastructure area, the "lead principle" will achieve greater importance than the "utilization principle," this especially under the aspect of regional differentiation. The per-capita costs for the infrastructure benefits for the coming generation will increase because of the declining utilization (cost degression in public infrastructure investments in reverse outlook).

--In the private family households, the relative per capita expenditures for fewer but better educated children are likely to rise; particularly in the transfer benefits for children, the growing share of one parent taking care of the education (mostly mothers) could lead to the need to make up for the relative poverty of that one parent.

--Especially to be taken into consideration is the growing share of foreign children and youths to be educated, whose social and educational integration is likely to have the effect of requiring above-average expenditures.

--The expenditures of the state and society, too, for the education of the coming generation will tend to go up in the interest of maintaining economic efficiency on an international level.

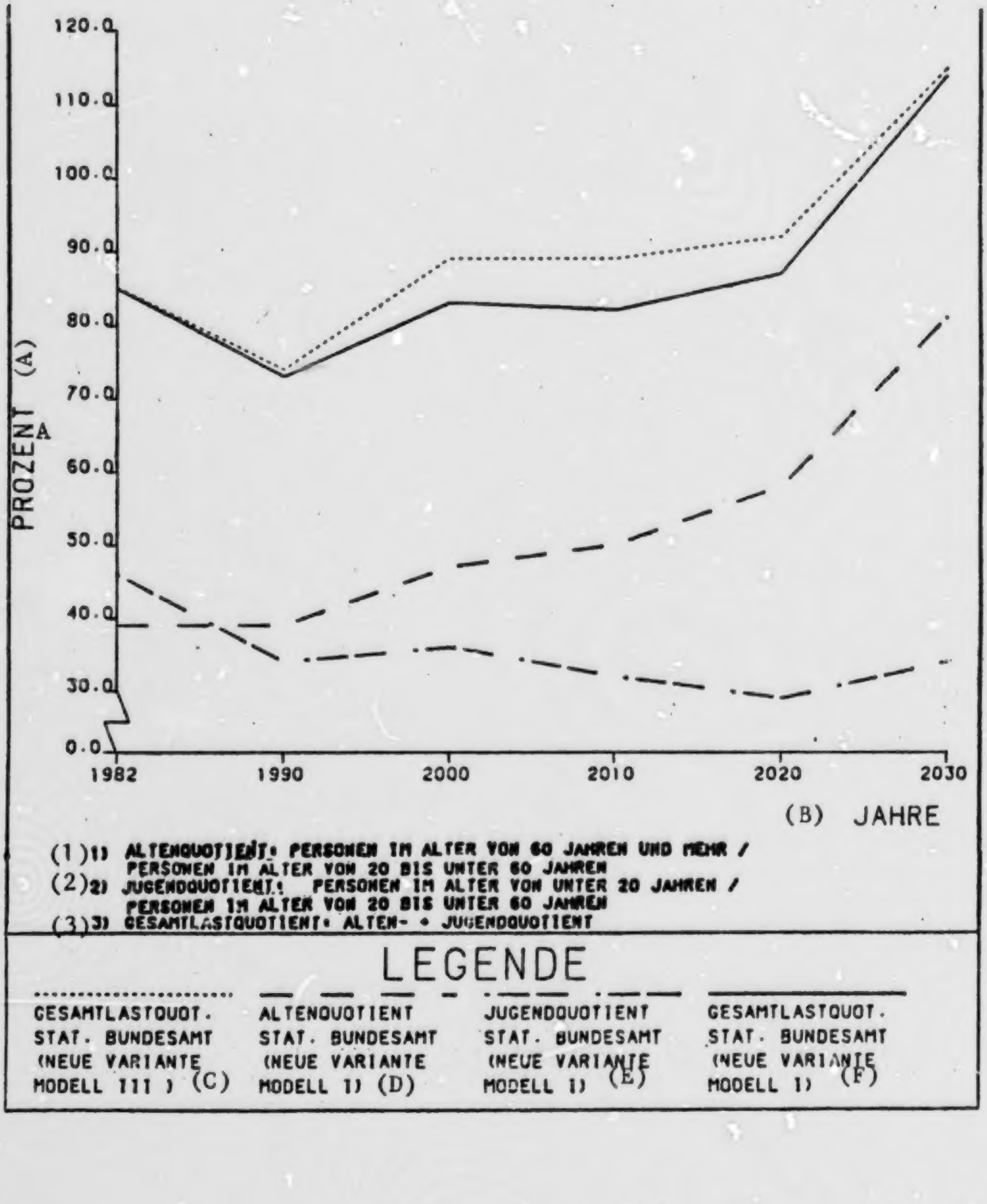
(2) Even if the wish were nevertheless to orient oneself in the assessment of the economic load factors primarily on the changing demographic age quotients, an additional connection is to be viewed: There is no frictionless assignment of social product shares in the changing shares of the young and the old running in opposite direction. Infrastructure investments once made of special needs cannot be simply converted to satisfy other kinds of needs. Thus educational institutions for children cannot easily be converted into care institutions for the aged. Here exist considerable objective and personal limitations that are likely to lead to the situation where the adaptation of the performances to the different development of the demographic children and aged shares proves to be relatively unelastic and thus also expensive. In addition, in a regional respect frictions arise in case of an attempted equalization of burdens.

(3) It is undoubtedly correct that because of productivity increases and the real wage increases possible as a result could be paid for by comparatively clearly (especially after the turn of the century) higher rates of contributions to the legal pension insurance fund without absolute loss of prosperity. But here, too, a simple alternate calculation against less high expenditures for the coming generation are very problematical. For, to take care of the aged as well as the children, a specific social product structure is required, characterized among other things by a high share of services tied up with individuals.

In the form of (increased) contributions to the legal pension insurance fund, claims are transferred to the social product. To the extent that thus products are in demand in which the gains in productivity have made these increased incomes possible (especially the processing industry), no significant problems arise to start with. However, where such transferred purchasing power is directed to personal services, the gainfully working persons required for this purpose must be available, who thus cannot share in the achievement of the potentially possibly increased productivity gains. What is also involved is a problem of the available "hands" in addition to a more efficiently set-up

POPULATION DEVELOPMENT

Development of the Quotients of the Aged[1] and of the Youths[2] According to Model 1, as Well as the Overall Load Quotient[3] According to ModelsI and III of the Federal Statistical Office



(1)1) ALTENQUOTIENT: PERSONEN IM ALTER VON 60 JAHREN UND MEHR / PERSONEN IM ALTER VON 20 BIS UNTER 60 JAHREN

(2)2) JUGENDQUOTIENT: PERSONEN IM ALTER VON UNTER 20 JAHREN / PERSONEN IM ALTER VON 20 BIS UNTER 60 JAHREN

(3)3) GESAMTLASTQUOTIENT: ALTEN- + JUGENDQUOTIENT

1. Quotient of the Aged: Persons 60 years of age and over : persons of 20 to below 60 years of age

2. Quotient of the Youths: Persons below 20 years of age : persons of 20 to below 60 years of age

3. Overall load quotient: Age quotient + youth quotient

Key:

A. %

B. Years

C. Total load quotient, Federal Statistical Office (new variant, Model III)

D. Quotient of the aged, Federal Statistical Office (new variant, Model I)

E. Quotient of youths, Federal Statistical Office (new variant, Model I)

F. Overall load quotient, Federal Statistical Office (new variant, Model I)

material goods offer. But the gainfully working persons will decrease in the long run not only in their relative share but also in their absolute number. According to the latest model calculation of the official statistics, the 20 to 60 year group could decline from about 35 million in 1990 to about 27 and 22 million in 2020 and 2030, respectively. In addition it should of course be taken into consideration here that in addition to the gainfully working persons additional providers of services could be found in the unpaid field.

(4) Finally--this, as a rule, is completely overlooked--the reference that a growing age load share must be decisively qualified in terms of its apportionment in an"overall consideration" under inclusion of the opposite youth load share tacitly--or even expressly--starts from the assumption that sooner or later the birth rates will increase anyhow. Without going into reasons for the reality content of such a view, the following should be noted for our statement of the problem: It is this assumption in particular that would boil down to adding a later rising share of the youth load to the meanwhile clearly increased load share of the aged, which further correspondingly increases the overall load share. (This can be derived quite vividly from a variant of the latest model calculations in which for later years a clearly higher fertility level is assumed than it is for now). This effect would be all the more serious the later this increase in the youth load share would occur. If there were any significant opportunity at all to so weaken, if not to eliminate, the already preprogrammed demographic imbalances with their manifold effects that are to be evaluated as negative, then the next approximately 10 years would provide more favorable conditions than the time starting with the turn of the

century. At any rate similar statements apply to the indispensable adjustment measures in the various fields of action of politics and administration. For the further development of a social policy and sociopolitics which are family oriented and at the same time demographically accentuated, in other words which are in tune with the generations, there is, thus, not much more time left. It can definitely be developed as a consistent component of the policy concept of social order of the social market economy if only its intellectual foundations are taken seriously enough. The betting should much rather be on a future-oriented political strategy interested in expanding personal familial scope of action in legislation and administration, in economy and working life--even though its effect cannot be precisely predetermined--than on the quite questionable and rash demographic-statistical offsets. In final analysis they confront the coming generations with the task of having to master problem situations which are lastingly preshaped by present individual and political decisions--and omissions. This would hardly be compatible with a social ethic of "long-range responsibility," in this case for the coming generation.

12356
CSO: 3620/599

LEIF ELDRING REAPPOINTED SVALBARD SHERIFF

Oslo AFTENPOSTEN in Norwegian 22 Feb 86 p 10

[Article by Torleif Andreassen: "Leif Eldring Will Be Sheriff Again: 'Good Relations with Russians on Svalbard'"]

[Text] "I have the impression that relations with the Russians on Svalbard are good. And I figure that they will continue to be," Justice Ministry Councilor Leif Eldring says to AFTENPOSTEN. At the cabinet meeting today he was again appointed sheriff on Svalbard. Eldring, who also took care of the office during the years 1974-78, makes no secret of the fact that he is very happy in our northern island kingdom.

The 52-year-old Eldring is an outdoorsman--and bitten by the "polar bug." Now he will have opportunities for long ski trips large portions of the year.

"Yes, but it is not for this reason that I am going to Svalbard," the ministry councilor smiles, who adds that he hopes there will be time to use his skis from time to time.

Leif Eldring knows this group of islands very well, especially from his last term as sheriff. Incidentally, in 1970 he was for a brief time assistant sheriff. Since he was the State's top representative there Leif Eldring has visited Svalbard one or two times a year.

Tourism

[Question] A debate has been in progress regarding to what extent more tourism ought to be ventured on, or not, on Svalbard. What do you think?

[Answer] "I think Svalbard and Norway are best served by keeping tourism at the present limited level. This is due first and foremost to the vulnerable natural environment up there."

Leif Eldring is a quiet and friendly man with a firm foot on the ground. There is often a twinkle in the corner of his eye. There is one when he gets the question everyone associated with Svalbard gets: Have polar bears been seen? And Eldring has, several times:

"The closest I have been to a polar bear is 100 meters. This is close enough for me!"

He will come considerably closer to polar bears in the cozy log cabin at the sheriff's residence. There there is a huge stuffed hulk standing on two legs. Both it and old friends will get to see Eldring again on 1 July. Then he will again receive responsibility for Norwegian law's being complied with on Svalbard.

8831
CSO: 3639/88

BETTER REPRESENTATION OF ARAB FORCES IN LISBON URGED

Lisbon DIARIO DE NOTICIAS in Portuguese 4 Mar 86 p 8

[Excerpts] A verse by Goethe says that "he who recognize himself and knows others will also be able to recognize this: the East and the West are inseparably linked."

The cultural, economic and political relations between Portugal and the Arab countries should be reassessed within the context of our participation in the European Economic Community. It would be well to recall that the Arabs are today Europe's main economic partner, which has led the EEC countries to pursue a cautious policy of rapprochement.

The dialogue between Europe and the Arab world has been yielding considerable fruit for the countries involved, which are naturally inclined to defend their own positions. Thus Portugal will be confronted with situations involving more stable relationships, which are the product of realistic foreign policies such as we have never been able to achieve, and we will have to proceed with political flexibility, such as to harvest the dividends European integration makes possible in this vital sector. Our country will have positions to balance and defend in the EEC bodies, which are involved in cooperation with the Arabs, on pain of missing the boat once again if it does not.

The Spanish Example

Our Spanish neighbors, who are also European partners now, have been much better able to "grasp" the historic legacy of the Arabs, converting it into intensive bilateral cooperation, which has never ceased to develop.

It might be noted by way of example that the Spaniards have been heavily influenced by Arab investments and the placement of capital coming from the Middle East. Luxury tourist projects have been built there with such funds, and Spain is a priority destination for Arab tourists, who are an inexhaustible source of foreign exchange.

But it must be remembered that Spain created its "defenses" through carefully drafted agreements with its Arab partners. Apart from having efficient facilities for communication with this area, Spain requires that its ports and airports be the "final destinations," thus preventing an extension of Arab lines to our country. This is an issue which must urgently be dealt with, because the entire economic mechanism depends basically on transportation. Spain will have to review this and other positions, and it will not undertake this task willingly.

On the other hand, and this too is in the minds of Portuguese diplomats, it is a fact that the intensification of Portuguese-Arab relations on the economic and cultural levels cannot be carried out without political solidarity with those peoples as its counterpart.

Overall relations with the Arab world will without a doubt involve solidarity with the Palestinian cause, the real point of convergence and unity among the Arabs (even though the appearances are divergent, as a result of our general lack of background for understanding the Islamic world in all its grandeur and diversity).

Portugal and the PLO

Along this line of thinking, one of the steps which Arab diplomatic circles in Lisbon are awaiting is the granting of diplomatic status to the PLO in the Portuguese capital. This status, which the PLO enjoys in the other EEC capitals, was personally promised to Yasser Arafat earlier by Minister Jaime Gama, but the successive domestic political upsets, linked with the vicissitudes in the development of the international situation, have never allowed its implementation.

At a time when it is crucial to eliminate old stereotypes and to become free of bureaucratic ways of thinking (we are recalling the fine words of Dr Mario Soares about our full integration in Europe), the steps taken in Portuguese diplomacy must be agile, and there is sufficient gymnastic ability for the purpose, provided the pertinent political support is forthcoming. In this connection, it would not be excessive to emphasize that the crisis provoked between Spain and the Arab nations by the recognition of the Zionist state by our neighbors opens up for Portugal a unique opportunity for a simple gesture of goodwill on the diplomatic front--recognition, to our own advantage, of the office representing the PLO in Lisbon. Elementary, my dear Pires de Miranda.

The establishment in Lisbon of embassies representing Saudi Arabia, Tunisia, Jordan and Syria, among other nations which our diplomats are contemplating, is a step we hope to see taken shortly. To achieve this we must motivate the respective governments, by increased diplomatic initiative in this area.

5157
CSO:3542/72

FUTURE OPPORTUNITIES, PROBLEMS OF PS ANALYZED

Lisbon O DIABO in Portuguese 11 Mar 86 p 2

[Article by Jose Miguel Judice]

[Text] The Socialist Party is faced with a great opportunity and two complex problems. The opportunity is provided by the presidential victory of Soares, in itself. The problems are the choice of the successor to the former secretary general and the definition and implementation of a strategy which will allow the socialists to win government power. The opportunity is the cause of the two problems, but it nonetheless continues to be celebrated joyfully by this party, because the alternative would be to have problems without any opportunity.

The winning of the presidency by Soares, however much above the party the winner might place himself, is a precious victory for the PS. This is true on the one hand because to achieve it, it was necessary to rally the votes of more than half the citizens of Portugal, many of whom had never voted for the PS and who responded to the message concerning the "useful vote" against the right wing for the first time. This is a message which will be heeded again in other elections. It is true on the other hand because the popularity of Soares in Belem will initially be higher than that of the PS itself, and because of this, it will always provide an advantage to the socialists, who can present themselves to the voters as the party closest to the president. Thus we see the reason the socialists are happy with the presidential triumph of the first among them. But as I have already said, it is not all roses--the opportunity has created two problems.

The first of the problems is that of the successor to Soares, which would have been easier had he not won. It would have been easier had he not gone to the second round, because this would have meant a successor against Soares. It would have been easier had he been defeated tangentially, because in such a case the succession process would have been openly directed and organized by Soares. But the triumph and his resulting withdrawal from the party have created the classic problem of full replacement of the leader at the peak of his prestige (as happened in the PSD after the tragic death of Sa Carneiro), with the aggravating, although happy, factor that he continues to be a semipresident, listening from Belem to the events within this party with an interest understandably greater than he would have in events in any other.

The succession process can be completed on the basis of several hypotheses, ranging from a search for a new leader who would be something like a copy of the old one to a complete turnaround with a new type of leader, and including hybrid forms of proceeding, which would include collective leadership plans. The choice might be Almeida Santos, Gama, Constancio or someone else. But any one of these solutions will inevitably mean a weakening of the party. This is true on the one hand because no solution will ensure the unity of the membership, and worse than that, of the faithful voters. And on the other hand, since none of the possible successors has the charisma or the prestige which would enable him to match Soares, his successor will be viewed as a temporary solution by his competitors, as Balsemao could certify.

But the triumph of Soares creates a second problem. It is the strategic issue which has to do on the one hand with the establishment of the "timing" for the effort to win power, and on the other, with the policy of possible and probable alliances. In fact, it can be said that the goal of winning power is better served by a crisis which will lead to elections in 1987, but the goal of leftist revolution with the PS playing the leading role is better served by keeping the present government in office for some time, if possible until the end of the normal term, in order to provide time for the development of a new party, with new political personnel and new ideas.

But the strategic issue also has to do with the alliance policy. In reality, the PS is offered two alternatives, one involving a closer relationship with the PRD [Democratic Renewal Party], in an effort to create a preelectoral alliance with a viable chance of victory, or on the other hand, closer relations with the PSD, with a view to trying to reestablish the central bloc thesis. There is no other possible solution, at least as long as the PCP remains unchanged, and as long as there is no radical alteration in the electoral system (and such an alteration is not likely to be accepted by the president of the republic who would have to pay the PCP that price).

Now both of the possible alternatives are problematical. This is true first of all because an alliance with the PRD would presume that party's definition, and there would always be the risk that neither of the possible successors to Soares would be notable enough to measure up to Eanes. This means that not only is it clear that the PRD wants a coalition, but also that it seems improbable that Ramalho Eanes would agree to be the candidate for the post of deputy prime minister under the likes of Jaime Gama.

But it also, and secondly, seems entirely improbable that the PSD would agree to a coalition with the PS, and if it did, that the coalition could fail to be organized on the basis of the political leadership of Cavaco Silva's men. And it is hard to see how a recent and challenged leader in the PS could demand anything less than leadership of the bloc the party had joined, because if he did not do so, he would be annihilated by his rivals.

What can be concluded from this, and it would be well if the PS understood this, is that the party of Mario Soares meets every requirement for being the "sick man" in the last 2 years of the 1980s. It has an opportunity, but it is not going to be able to use it. It has two problems, and no viable and efficient solution to them can be seen. And there is nothing worse than missing an opportunity when all the factors are seemingly favorable and augur a better future. It will not be better, and thus the successor to Soares will be a victim, in the best of propitiatory hypotheses.

5157
CSO:3542/74

CARLSSON WEAK IN AREAS OF ECONOMICS, SOCIAL AFFAIRS

Stockholm SVENSKA DAGBLADET in Swedish 4 Mar 86 p 2

[Editorial: "Ingvar Carlsson"]

[Text] It was formally confirmed on Monday that Ingvar Carlsson has been named acting party chairman for the Social Democrats. Calling a special party congress was never considered. There is every indication, then, that the party board's choice will be confirmed at next year's regular congress.

Ingvar Carlsson was anxious to emphasize continuity in policy as he met the press for the first time in his new role. "Policy will stay the same," he said. And there is no reason to doubt his word on that point.

Ingvar Carlsson had been very close to Olof Palme for a long time. He has been very closely involved in Social Democratic policy over the past few decades. In fact, there is no political area or any issue where it can be shown that Olof Palme and Ingvar Carlsson held differing views.

As cabinet minister, Ingvar Carlsson has been responsible for two such important areas as housing policy and education policy. After the change of government in 1982, he was Olof Palme's deputy, and it fell on him to attend to those areas where the leadership wanted to give the party a new image.

Within the party, Ingvar Carlsson has been the chief writer of party programs in recent years. Both the economic program of 1981 and the program for the future--adopted at the 1984 congress--were worked out with him in the chair.

Ingvar Carlsson's record is therefore as good an indication as any that Social Democratic policy is not going to change on any essential point. It is true that one of his tasks was to take charge of the reappraisal. But even that was done entirely in keeping with the party line.

The program for the future therefore contains very little in the way of new thinking or reappraisal as far as old attitudes are concerned. If anything, its distinctive feature is support for traditional Social Democratic policy. When work on the program began, there were great expectations that it would vitalize Social Democratic policy.

But as the work proceeded, it was gradually channeled into familiar paths, and the final result was surprisingly anemic. It may be that Ingvar Carlsson was influenced by his experience with work on the emergency program a few years earlier, when relatively ambitious attempts to reexamine old Social Democratic truths had run into opposition within the party, forcing the emergency group to return quickly to the old policy.

The new chairman of the SDP [Social Democratic Party] may have a radically different personality than his predecessor, but he operates within the same material reality and the same economic environment and must deal with the same conflicting interests. There are many indications that the political debate will take on a more objective tone with Ingvar Carlsson as SDP chairman. But it is far from certain that the conflicts and antagonisms will be dramatically reduced as a result.

Like his predecessor, Ingvar Carlsson is going to give solidarity within the party priority over agreement across party lines. The simple fact is that as leader of a Social Democratic Party that is far less homogeneous than we usually imagine it to be, he will have no choice.

A Social Democratic leader today must take considerably greater pains to unite strong and frequently conflicting interests within the movement than was the case only 25 years ago. And the more energy that is expended to hold things together within the party, the less scope and energy there is for compromise with others.

It would therefore be wrong to entertain too much hope that with Ingvar Carlsson as SDP chairman, a great peace is going to settle over Swedish politics. This is especially true in that the SDP has long had problems of legitimacy in relation to its own supporters.

Those problems are a consequence of the fact that traditional Social Democratic policy is inadequate for meeting the demands of a new day. Ingvar Carlsson's big weakness is that he has had little to do with economics and social issues. His qualifications for pushing through a new way of thinking in those areas are therefore quite limited. And to some extent, of course, this has already been confirmed.

At the same time, it is primarily in those areas that the Social Democrats must reassess their policy if it is their ambition to retain their dominant position on the political stage.

It is reasonable to assume that Ingvar Carlsson will be allowed a rather lengthy honeymoon. It may even last through the next election. But it is not likely that he will be able to initiate a new era of understanding in Swedish politics. Besides, the problems are too great, and the movement is too busy dealing with its internal conflicts.

11798
CSO: 3650/157

SECOND EUROPEAN FIGHTER PLANE PROPOSED

Paris LE MONDE in French 12 Mar 86 p 12

[Article by Jacques Isnard: "Defense: Under Negotiation This Week in Rome and Madrid, Two European Fighter Aircraft Projects for a Market Worth Fr 600 Billion"]

[Text] An important week for the European military aviation, with a triple meeting. In Rome, on Wednesday 12 March, the British, Italian, FRG and Spanish delegates to armament will meet their French counterpart, Mr Emile Blanc.

Still in Rome, on Thursday 13 and Friday 14 March, at the initiative of the French, the delegates to armament of the European countries belonging to the Atlantic alliance will discuss the possible creation of a Military Aviation Study Group (GEPAM). In Madrid, on Thursday 13 March, the British, Italian, FRG and Spanish ministers of defense will hold consultations. Three meetings, a single stake: the market, estimated at Fr 500-600 billion, for 1 or 2 new European fighter aircraft, 1,500 units of which would be built.

Last summer in Turin, Europe divided into two camps on military aeronautics. On the one hand, the English, the West Germans, the Italians and the Spaniards formed the idea of designing a single fighter aircraft, the European Fighter Aircraft (EFA). On the other hand, the French found themselves alone with their European fighter aircraft program (ACE) derived from a demonstration unit developed by Dassault-Breguet, the Rafale. Since then, the Dutch, the Danish, the Norwegians and the Belgians have come closer to the French to lay the foundations of a cooperation.

Last September, France proposed to establish so-called "cross" participations in Europe: the manufacturers of the ACE, presented as a versatile aircraft for air-to-ground and air-to-air missions, offered to collaborate to the design of some equipment for the EFA, designed to be an aircraft specialized in air-to-air combat. As a counterpart, EFA manufacturers would participate in the production of some systems intended for the ACE. This cross cooperation would not involve any obligation to purchase: EFA buyers would not have to buy the ACE, nor ACE buyers the EFA.

In Rome, on Wednesday 12 March, partners to the EFA agreement will hear the French delegate to armament, Mr Blanc, who will tell them in which fields they might collaborate with ACE proponents. Actually, three cooperation levels are said to be considered: joint production of equipment, joint assembly of subassemblies, and pooling of technologies. Several fields of application are involved: hydraulic systems, electric systems, auxiliary equipment, air conditioning, navigation systems, data processing, radio and computers.

20 Percent of the Cost

All these items of equipment, plus others, represent up to 50 percent of the value of a modern fighter aircraft. This shows the importance of a cross cooperation agreement between the EFA and the ACE, if it leads to savings on both sides. The French like to imagine a collaboration scenario which, although not reaching the goal of 50 percent of the aircraft value, could still bear on 20 percent of the project cost.

The following day in Madrid, the ministers of defense of the four EFA partner countries will be informed of the French proposals as presented to their delegates in Rome. They are not expected to give any answer yet. That is because the British, the Italians, the West Germans and the Spaniards already find it difficult enough to agree among themselves on the EFA project.

Information repeated by the press of these four countries actually mentions the existence of differences concerning the aircraft characteristics and performance, in spite of the initial Turin agreement, which was for an aircraft weighing 9,750 kg. The Germans, in particular, insist on making a lightweight, and therefore less costly, aircraft, while the British, judging by the demands of the Royal Air Force, would prefer an aircraft weighing up to 12.5 tons.

These differences on the very definition of the aircraft will lead to additional delays, of the order of 6 months, in negotiations among the four interested countries. Especially since problems have also surfaced in setting up the legal and industrial framework responsible for the program: in principle, it is in Munich, and side by side with the Panavia club which administers the Tornado program, that the European consortium responsible for the implementation of the EFA project is to be set up.

Variable Geometry

To spare Europe another such misadventure, France intends to propose to all of its European partners in the Atlantic alliance to build a "catchall structure" designed more precisely to ensure cooperation among the European aeronautical industry already from the design stage of a military aircraft. Known under the provisional name of "Military Aircraft Study Group" (or GEPAM), this catchall structure would not be a supranational institution but an industrial forum that would examine long-term needs, look for coordination methods and define common standards.

A "variable geometry" structure, as a French diplomat called it, which would take into account each partner's industrial power, its technological level and the needs of its air force, the GEPAM would be interested in the upstream studies and exploratory developments of military aircraft programs, whether for a fighter aircraft, a transport aircraft, a helicopter, engines, missiles or electronic systems for these projects.

The need of the Europeans for such a consultation forum for the end of the century will be debated on Friday 14 March in Rome by the delegates to armament of the countries belonging to the Independent European Program Group (GIEP), i.e. European states belonging to the Atlantic Alliance. They should take this opportunity to prepare the meeting of their ministers of defense, which is scheduled to take place in Madrid in April and is expected to decide on the French proposal to create the GEPAM.

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DEFENSE OF SCANDINAVIAN PENINSULA

Joint Defense Deterrent Seen

Stockholm INTERNATIONELLA STUDIER in Swedish No. 1, 1986 p 12

[Text] No matter what anyone might imagine, the heading for this subject section is less a challenge than a statement of facts which cannot be eliminated by any alliance border: that Norway and Sweden share a peninsula, that many, perhaps the majority, of potential cases of war involve both countries simultaneously and that the result of this is that our respective defense efforts create a joint deterrent to an attacker.

No one believes that this will have consequences for the completely different directions chosen by our countries in the matter of alliance affiliation. But it is important to contemplate those problems as well which are not normally dealt with in the security-political debate: how the defense systems in Norway and Sweden affect each other, how various attack scenarios may unfold in the respective country and what forces and structures exist or are needed for the tasks which are perceived.

It has become a trivial remark that the Nordic area has acquired greatly increased importance in strategic connections. The expansion of the Murmansk base, the struggle for the Sea of Norway and advanced reconnaissance stations are factors of significance. However, nearly every expert observer emphasizes that the situation in the north is stable and that the level of strength on both sides is reasonable. Therefore, the development which has meant that the division between central front and periphery has become less distinct is at least as essential. Militarily as well, the world is becoming more of a unity, with the attendant risks of escalation of limited conflicts.

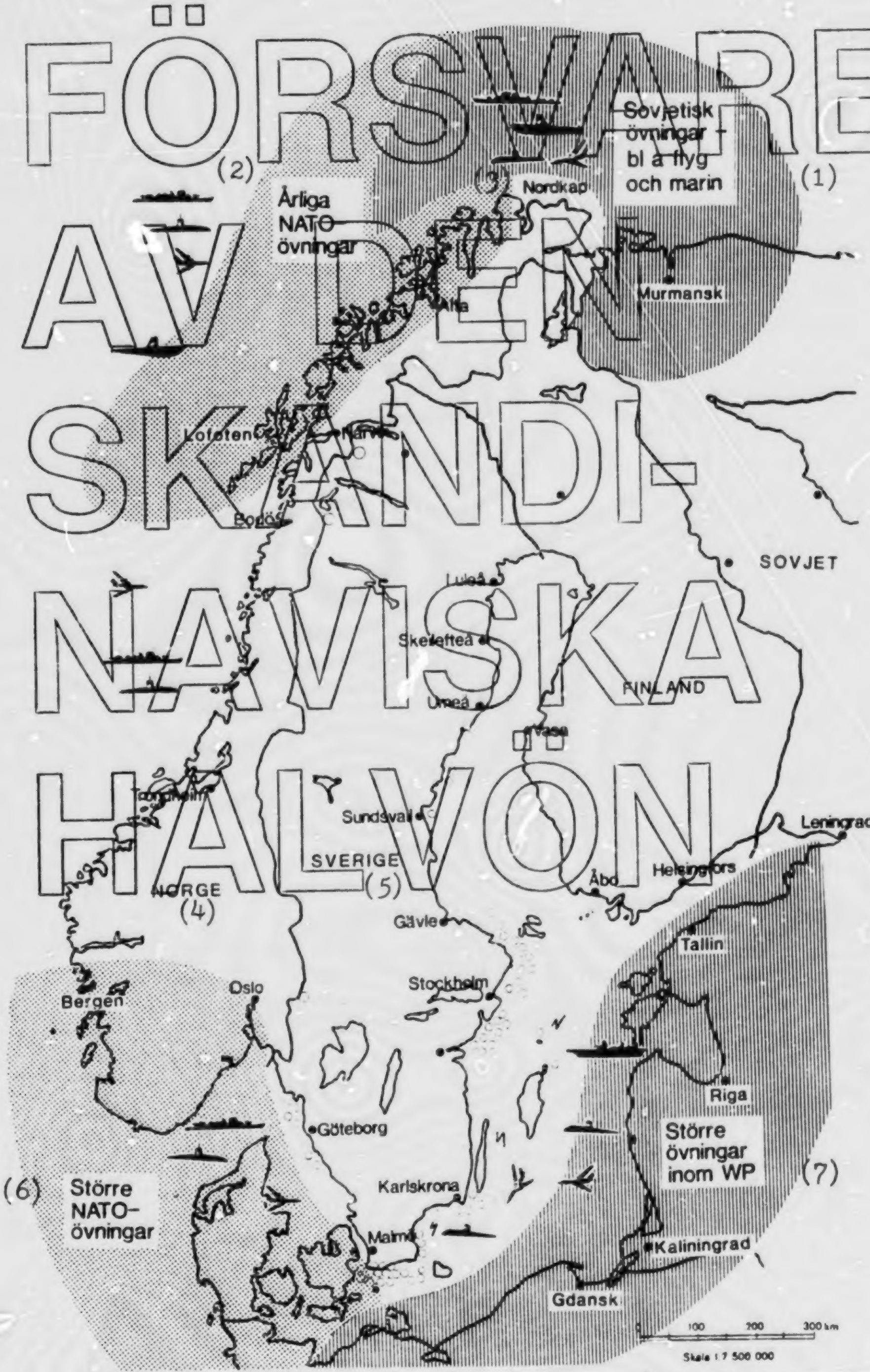
Technology and Security Policy

Stockholm INTERNATIONELLA STUDIER in Swedish No 1, 1986, pp 13-19

[Article by Lars Killander]

[Text] Military technology and security policy are factors which are intimately connected. The increased range of aircraft, for example, expands the operational areas and thus constitutes a greater threat to the

FÖRSVARET AV DEN SKANDINAVISKA HALVÖN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(8) Kränkningar runt svenska kusten (9) ϟ = Signalspaning

Key:

(1) Soviet air and naval exercises

(2) Annual NATO exercises

(3) North Cape

(4) Norway

(5) Sweden

(6) Major NATO exercises

(7) Major WP exercises

(8) Violations along the Swedish coast

(9) Radio intelligence

environment. This alters the security policy preconditions as well. Electronic development, computer technology and arms and munitions technology are other examples of technological changes with security policy consequences.

Military technology is also connected with geography. Through technological advances it is possible today to use areas which previously were impossible to utilize for military purposes. Among these are space and the ocean regions. The Arctic Ocean is an area which is developing into a region of major strategic interest.

Technological, geographical and security policy factors are interconnected in the Nordic countries. Previously there was talk in military connections of the Northern Flank--the Nordic region is, after all, a flank region for NATO's central front in Central Europe. But precisely because of the technological development this flank concept is increasingly called into question. Expanded ranges for NATO aircraft and improved communications and command functions have transformed our region into a highly integrated part of the central front from a strategic point of view.

The ocean areas around Norway are of major importance to the Soviet nuclear-armed submarine fleet, to the Soviet capability of cutting off the essential sea lanes of communication between the United States and Western Europe and to the defense of the Soviet Union against nuclear attacks.

In the same way as the area is strategically important to the Soviet Union, it is equally important to the other superpower. The Nordic region has more directly come to be affected by the conflicts between the superpowers. The strategic interests which affect the area have acquired increased significance and developed stronger ties to both the North Atlantic and Central Europe. This development is likely to continue.

In a potential conflict both sides will deploy large resources in order to prevent each other from gaining control of the ocean areas and the adjacent land areas.

Consequences for Norway

This will naturally have major consequences for Norway. To NATO the Norwegian territory is a highly important area for early warning and defense.
It is also important to prevent Norwegian territory from becoming a staging area for Soviet operations at sea or in the air.

Since the Soviet Navy has the capability of dominating the ocean areas around Norway, there is great risk that the country will be located behind advanced Soviet positions in for example the Greenland-Iceland-United Kingdom gap. Against a background of this, it is official Norwegian policy for Norway's security to be dependent on a military balance in the ocean areas closest to Norway. It is within the framework for Norway's NATO membership that this balance can be maintained.

Membership in NATO is thus one of the cornerstones of Norwegian security policy. In Norwegian that cornerstone is called beroligelse--meaning calming reassurance to the surrounding world (alias the Soviet Union) that Norwegian defense measures are absolutely defensive in nature. While the national defense and membership in NATO are Norway's signal to the surrounding world that it wants to defend itself, the self-imposed restrictions in the NATO membership are an indication to the rest of the world of the defensive element.

The base policy is the oldest of the self-imposed restrictions. It came into being in 1949, when Norway joined the NATO, as a guarantee to the Soviet Union not to accept foreign NATO troops on Norwegian soil in peacetime.

The nuclear arms policy is the second self-imposed restriction, and it means that no nuclear weapons may be stored in or launched from Norway. However, the restriction is formulated so that in wartime the Norwegian defenses can be supplemented with outside forces which have nuclear forces at their disposal. This may only take place after permission from Norwegian authorities.

The training restrictions, finally, mean that foreign NATO troops may not train east of the 24th longitude, that is to say in principle not in the county of Finnmark.

The interplay between "avskrekking og beroligelse" [deterrence and reassurance] imposes great demands on the security policy. On the one hand it is important not have too low a deterrent profile, for then the credibility of the defense efforts is in danger of shrinking.

On the other hand, the defense measures must be so moderate that they appear clearly defensive.

Nordic Stability

But it is not only for its own sake that Norway is practicing the "avskrekking-beroligelse" policy. It is included as an active element in the Nordic stability. Sweden, Denmark, Iceland and Finland all benefit from the Norwegian policy. It contributes to the joint Nordic effort to achieve the greatest possible detente at the lowest possible military level.

In the same way the Swedish security policy solution is part of Nordic defense planning. Non-alignment in peacetime, aimed at neutrality in war and a "for our circumstances strong defense" is decisive for Norwegian security as well. An example of this is that the former Norwegian supreme commander, "Forsvarssjefen," in 1979 pointed out that the Swedish defense was disquieting and ought to result in a reinforcement of the defenses of southern Norway.

During the 1970's the composition of Soviet units in the vicinity of the Nordic region was altered. The fleet grew to ocean-going dimensions, the Air Force received new longer-range aircraft, the Army acquired greater mobility and speed. In official Norwegian circles there were conclusions that the

Soviet Northern Fleet could be used against Norwegian territory without diminishing its capability of playing a global role. The air forces on the Kola peninsula could, according to the same Norwegian evaluation, be used for both tactical and strategic operations. The threat against Norway was believed to have increased. Norwegian studies showed that if air supremacy over Norway was lost, the fight would on the whole be lost, not only for Norway but for all of NATO. If strategically important Norway were lost, the road would be open to Soviet attacks against the important sea lanes between the United States and Western Europe. The new threat picture came to form the basis for a number of important Norwegian decisions and studies during the 1970's.

"The Defense Commission"

In March 1978 the Norwegian Defense Commission presented its study after 4 years of work. The commission drew up the guidelines for the Norwegian defense role during the 1979-1994 15-year period. Priority was placed on the defense of northern Norway, since the region was considered most exposed during a potential attack due to its vicinity to the important Soviet base areas on the Kola peninsula.

The commission was of the further opinion that it was less likely that southern Norway would be attacked in the first stage of a war. An invasion there is considered unlikely until an enemy is in possession of Denmark and the Baltic outlets.

The fact that northern Norway is so important in Norwegian defense policy does not mean that an attack up there is the most likely in all situations. But only Norwegian forces can meet a surprise attack due to restrictions in the base policy. For that reason the Norwegian units up there must have such strength and composition that they can withstand an attack until allied reinforcements arrive.

In addition to the fact that the restrictions in the base policy prescribe that national units are to be stationed in northern Norway, it is also important, purely from the view of security policy, to treat the region with priority. A relative weakening of the defense of northern Norway could lead to a gutting of the deterrence capability to such an extent that an attacker sees a chance, or even an advantage, in attacking northern Norway. In such a situation, the offical reasoning goes, the United States could place naval forces in the Norwegian Sea/Barents Sea in order to counter a Soviet attack. Such a direct confrontation could lead to an escalation of the conflict to the nuclear level.

This reasoning is central. The question is whether the technological development, and the strategic/tactical development connected with it, today makes it impossible for Norway to prevent, through its defense contribution, a superpower confrontation in the Norwegian Sea/Barents Sea.

The Defense Commission believed that the Norwegian defense budget should be increased by four percent per year in real terms during the 1979-83 five-year period, three percent per year during the 1984-88 period and two percent per year during the 1989-93 period.

The budget increase was motivated with, among other things, the need for major new procurements after the U. S. arms aid to Norway had ceased in the early 1970's. The mobility, fire power and protection of the Army brigades should be improved, new coast artillery installation were to be created--in particular in northern Norway and in Trondelag--and new minesweepers and submarines were to be purchased. The Air Force was to be supplied with 72 new F 16 aircraft.

But economic realities spoke another language. The real increase in the defense budget for the period 1979-83 stopped at three percent, that is to say one percent less than the guidelines of the Defense Commission.

The effect of this is today (fall 1985) that the investment budget lags behind by about 2.5 billion Norwegian kronor, which corresponds to the established structural goal for an Army brigade. The lag, seen as a whole, is estimated to be 10-15 billion Norwegian kronor for the entire 15-year period. As an example may be mentioned that only in order to recapture what was lost during the 1979-83 period, the real increase in the defense budget must be seven percent per year for the rest of the planning period.

The reasons for the lopsided budget development is partly that operational costs have been greater than anticipated, partly that standard prices for defense materiel have grown faster than inflation--in real terms 2-3 percent annually.

This naturally poses major problems and causes a widening gap between structural goals and available means. A development which thus resembles the Swedish one.

In concrete terms the result of the altered preconditions is that the modernization of the military forces, primarily in southern Norway, has been postponed. This in a situation when, as was mentioned, standard prices for defense materiel continue to rise in terms of real money. It will therefore become considerably more expensive to modernize an Army brigade in 1990 in real kronor than it is today.

It has not even been possible to undertake proposed measures affecting the defense of northern Norway as planned. Among them is a slower rate of expansion for coast artillery installations, a smaller number of submarines than calculated, no Penguin III missiles (ASM) until 1988 and also no new minesweepers.

In the study the Defense Commission described the national defense capability as just as important as the allied reinforcements. But even the first five-year plan (St. Meld. 94, 1978-1979) after the memorandum of the Defense

Commission contained an interesting note. It said in the plan that economic realities made an implementation of the commission's guidelines impossible at the proposed rate. Then comes the main point:

"On the other hand, the principal intentions of the commission's proposal should be implemented. This means that the defense can be reinforced in the productive manner. Measures aimed at receiving allied aid should be given priority above measures which reinforce the national defense in those instances where allied help is considered to provide the best defense effect."

This note should mainly be regarded as a way to pave the way for the decision to stockpile materiel for a U. S. Marine infantry brigade in Trondelag (MAB). That decision was taken in 1981. It also legitimizes decisions to back other allied reinforcement measures such as allied air forces to COB [collocated operating bases] airfields (readied for allied reinforcement) and to other units.

The reinforcement policy is not a new element in Norwegian security policy. On the other hand, it has acquired increased importance at the rate of expansion of the Soviet capacity.

On the part of Norway it involves making the NATO membership credible--that is to say giving allied aid a chance to reach Norway in time in a crisis or in war. The background for the emphasis on the reinforcement element in Norwegian security policy is that the greater the number of prepared measures in Norway, the easier it is to obtain reinforcements when it really counts. It is essential, however, to remember that this is done while observing the "calming reassurance aspect"--that is to say the self-imposed restrictions.

In concrete terms, the emphasis on allied reinforcements has meant that Norway's contribution to jointly financed NATO projects has increased, as have national expenditures for advance stockpiles and the infrastructure around them.

The difficulties in establishing a necessary Norwegian defense structure has therefore to some extent been balanced by a concentration of reinforcements. This may appear to be adequate compensation for a deficient national defense. But it takes time for reinforcements to arrive in Norway. Calculations show that the reinforcements which can reach Norwegian territory first are allied airborne forces at COB, 48 hours after a political decision.

Soviet Capacity

The military capacity of the Soviet Union has improved at the rate of the technological gains. The air forces in the Leningrad military district and in the Baltic district have grown in a quantitative as well as a qualitative respect. The capability of the forces for rapid, surprise operations has improved considerably. The naval forces and army units have also been modernized, although the ground forces are not directly operational. Most army units appear to be of the category 3 type, which means that it takes at least a week to put them in the required state of mobilization.

Southern Norway Also Important

The national defense of Norway has weakened, relatively seen, and the quality of the Soviet units stationed closest to the Nordic region has increased. At the same time it is not only northern Norway which is strategically important. Southern Norway as well (all of southern Norway up to and including the county of Northern Trondelag) are increasing in importance at the same rate as the technological development.

To begin with, southern Norway is important as a base region for allied air operations over the central front, BALTAP (the NATO command for Denmark and the Baltic outlets) and the Norwegian Sea/GIUK gap.

Southern Norway is also an important staging area for national forces earmarked for deployment in northern Norway.

Southern Norway has an increasingly important network of stockpiles and infrastructure for allied reinforcements.

During the critical time period--at least 48 hours--which lasts from a Norwegian political decision to ask for allied help until the reinforcements arrive, Soviet surprise attacks are entirely possible.

In order rapidly to reach targets in southern Norway the Soviet attack and fighter aircraft must take the route over Swedish territory. Bases in southern Norway would give the Soviet Union obvious advantages, such as the opportunity to hit the central front, and to be able to attack BALTAP and NATO naval forces in the Norwegian Sea and even dominating the Norwegian Sea. Further, a quick attack on allied stockpiles in southern Norway would make it more difficult, at least temporarily, for reinforcements to arrive in time.

A clear example of improved Soviet capability for attacking targets in the Nordic region is the modernization of the air defense forces in the Leningrad military district. The range of the three new types of fighters for low-altitude operation (MiG-29, MiG-31 and Su-27), together with the reconnaissance function of the new Il-79 Mainstay provides for increased opportunities for operations in over the Nordic area, both in order to cut off approach routes for NATO aircraft and incoming cruise missiles and in order to escort attack aircraft to targets in the Nordic region.

The "dual capability role" of the air defense forces of both cutting off attacking aircraft and themselves participating in tactical operations increases the risk of surprise attacks. Our ability rapidly to interpret the behavior and intentions of these air forces is made more difficult precisely by their double functions. In addition, the improved technology of the attacker means that the defender has that much less time to make the necessary political decisions for mobilization, for example.

This, therefore, is the picture. At the same time as it has been determined that Norway has become strategically important, there are not sufficient funds to provide the defense with the structure that is considered necessary.

This fact necessarily influences the security-political pattern in the Nordic region. Against the background of the increasing risk of Soviet operations for the purpose of attacking or invading large portions of Norway, the situation of Sweden is disturbing.

A surprise attack is evaluated as possible, in particular with a view to the advantages the Soviets would achieve in hitting southern Norwegian base installations before allied reinforcements have arrived. A Soviet attack in order to eliminate the national reinforcement of northern Norway (two Army brigades which are mobilized in southern Norway) is also possible. This in turn means that the defense of northern Norway is weakened, which is in the Soviet interest in later operations against the region.

Swedish Development

Official Swedish documents point out that not only southern Sweden (through the vicinity to BALTAP) and Norrland (in the vicinity of northern Norway) but central Sweden as well are potential operational areas. Furthermore, the value of Swedish territory as a base region is considered to have grown at the same rate as the increased strategic importance of northern Norway.

Simultaneously, Sweden exhibits the same development as Norway--gutting the defense structure through inflation and an increase in standard prices for defense materiel (2-4 percent in real numbers). Sweden's defense capability is shrinking relative to that of the surrounding world, at a time when the threat is growing.

Particularly disturbing is the situation of the air defense. This is shown above all by the development in the fighter aircraft sector, where the number of divisions has been cut in half since 1960. Hence, in the perspective plan for defense which was presented on 1 October 1985, the supreme commander warned that an overly small allocation of funds will jeopardize the future for three Draken fighter divisions. According to previous decisions these will have their lifetime extended while waiting for the JAS divisions to become fully operational.

From what has been said so far it is possible to draw the conclusion that the dilemma of the Nordic countries is becoming clearer: How are we to succeed in preserving regional stability in a situation in which our own capability for credible military deterrence is being gutted and the military capability of the surrounding world is improving?

The New Dimension: Unintentional Escalation

Yet another dimension is added to the problem when discussing the technological factors which are conditioned by major strategy and which have a bearing on Nordic security policy.

The problem is, briefly, the following: Changes in nuclear weapons technology make the Kola peninsula increasingly important to the superpower status of the Soviet Union. It is also becoming even more important for the United States to prevent the Soviets from using the resources they have on the Kola peninsula. The Nordic countries are viewing with concern the risk that the superpowers will "settle matters" right near us.

The strategic importance of Norway, and primarily norther Norway, in precisely this kind of scenario, has increased. One example: Increased Soviet activity in Barents Sea is likely to attract U. S. Navy attack submarines and other submarine capacity. These forces are supported by tactical aircraft and C^3I capacity (English abbreviation for electronic communications and intelligence service), which can be based in northern Norway. In such a situation the Soviet Union might see an advantage in limited use of nuclear weapons against these northern Norwegian installations.

In this scenario the risk is great for unintentional escalation, that is to say that a conventional military operation would escalate into an exchange of blows with nuclear weapons. The risk of this has grown particularly around the Kola peninsula, since so much there is at stake for the Soviet Union and the United States. The defensive needs of the latter for example to eliminate the submarines of the opponent may be perceived by the former as a clearly offensive act.

The risk of unintentional escalation is a new element which influences Nordic stability. It affects primarily Norwegian security policy.

Johan Jorgen Holst writes:

"The Norwegian security posture 'reflects a dynamic triangular trade-off among considerations of deterrence, reassurance and insurance.'"

The Norwegian security policy situation is highly affected by the global ambitions of the superpowers. They make use of technological advances which have decidedly regional consequences. The improved range and double operational capability the Soviet air defense forces is an example of this. Other examples are new submarine technology, cruise missiles and "star wars" (SDI).

The Typhoon Example

The most recent Soviet SSBN, of the Typhoon class, has been stationed at Northern Fleet bases on the Kola peninsula. This is connected with the Typhoon's special properties of operating under the ice in the Arctic Ocean, for instance, with so-called Ice Pick technology. The development of the Typhoon class has prompted the United States to react openly.

The present head of the U. S. Navy, Adm James Watkins, admitted in May 1983 that the United States has placed greater emphasis on exercises with their attack submarines (SSN) under the Polar ice in order to be able to attack Soviet SSBN (Typhoon).

This in turn forces an increased Soviet concentration of protection of their SSBN. The antisubmarine warfare capability is improved. The coordination between ships, aircraft and C^3I plays a major role in this, which in turn increases the value of the northern Norwegian territory for the Soviet Union. In part, there are operational air bases in northern Norway, and in part the Soviet Union can prevent the United States from obtaining access to C^3I installation in northern Norway which might be used for operations against Soviet SSBN.

It might be appropriate to say a few words about U. S. strategy in the Norwegian Sea. In 1981 U. S. Navy Secretary John Lehman presented the controversial concept that NATO's naval forces should be able to go as far up in the Norwegian Sea as possible in order to "confine the Soviet Union to Barents Sea."

The statement was based on the Reagan administration's so-called 600-ship program (with a total of 15 carriers). A precondition for Lehman's vision was that the 600-ship program was implemented.

The statement caused a lot of criticism, however, not only from political circles. Adm James Watkins went against his political superior and said that the U. S. Navy should not enter ocean areas dominated by the Soviets.

Watkins was of the opinion that the most important thing for NATO's naval forces is to protect the sea lines of communication between the United States and Western Europe; operations in the Norwegian Sea come second. The reason for this is the evaluation that the Soviet capacity constitutes too great a risk for the U. S. carriers. They are at the disposal of the chief of the NATO Atlantic command, SACLANT.

Two carrier groups are believed to be sufficient in order to be able to control the Norwegian Sea. But it must be remembered that SACLANT has other defense regions besides the Norwegian Sea, which is why the carriers may be needed in other places in a crisis situation.

How, then, is Watkins's statement to John Lehman to be interpreted in relation to Watkins's statement regarding U. S. SSN exercises in the Arctic Ocean?

Watkins is likely to stick to his position that U. S. carriers whould stay away from the Norwegian Sea until NATO has a more adequate force for carrying out barrier operations in the region. On the other hand, it is another matter to conduct SSN operations against Soviet SSBN's.

Cruise Missiles

Cruise missile technology is another field which has bearing on the Nordic security policy. In Sweden, above all, it has been pointed out both officially and unofficially that we must improve our capacity to detect and counter overflying cruise missiles.

U. S. air-launched cruise missiles of the AGM-86B type (about 1,500 operational today, range 2,400 km) increase the Soviet need for advanced air defense on Svalbard, for instance. After all, it is important for the Soviet Union to cut off the approach route for B-52G aircraft before they have reached a launch point, from where AGB-86B can reach targets in the Soviet Union. The measure requires additional aircraft for the air defense region in Archangelsk. This in turn increases Soviet capability for regional air supremacy, since the aircraft of the air defense also have the capability for fight/attack together with the Tactical Air Force. The development of "Stealth" aircraft and the new B-1 B bomber also indicate the Soviet need for advanced air defense, since the U. S. attack routes go over the Arctic.

Sea-launched cruise missiles are another threat which requires greater Soviet defense measures. The U. S. SLCM BGM-109A Tomahawk (range about 2,500 km) on the Los Angeles class submarines exist in both conventional and nuclear versions. In order to reach the Kola peninsula it is necessary to launch north of the GIUK gap, and in order to reach Moscow to launch from a point 700 km from the Soviet coast (or Norwegian coast).

The Soviet Union must invest additionally in antisubmarine capacity in order to be able to meet the threat from ship-based cruise missiles. This increases both the naval equipment in the Norwegian Sea/Barents Sea and the need for Norwegian territory for ship-supported antisubmarine operations.

Furthermore, the cruise missile threat increases the demand for improved air defense in the Leningrad military district with greater preparedness and better capability of surprise attacks as a result.

SDI

The development of a space-based defense against ballistic missiles (SDI = Strategic Defense Initiative) is another factor with significance for Nordic security policy.

The project will probably take a very long time before becoming operational. Some systems are likely to begin to be used before the entire project is developed. After all, the development scarcely runs parallel in the two blocs. Either bloc may achieve supremacy over the other and thus the so-called crisis stability is threatened. If the Soviet Union ends up in a weak position, the importance of the military installations on the Kola peninsula will obviously grow. The Soviets can undertake panic measures in order to reach the open sea, for example, and then the importance of U. S. operations in the area will increase. This is yet another example of the risk of unintentional escalation.

If the United States develops an effective defense against ballistic missiles, the Soviet Union will be forced to place greater emphasis on its bomber capacity in order to maintain the nuclear balance. Signs of this can already be seen in the efforts on the new intermediate-range Blackjack bomber. It can carry the AS-X-15 cruise missile (range about 3,000 km).

The ship-based SS-NX-21 cruise missile (range about 3,000 km) is another weapon which can avoid the SDI defense because of the missile's low altitude properties. The missile can be placed on board Yankee submarines, among others, which therefore must pass through the Norwegian Sea, the GIUK gap and further out into the Atlantic in order to launch outside the U. S. coast. During the 1960's the Yankee submarine has the same task, but then equipped with SBLM.

The development means that the importance of the Norwegian Sea as a transit area for Yankee submarines increases, but also that the value of air bases on the Kola peninsula for basing or fuelling/loading the bombers will grow. This requires additional defense measures and greater preparedness with the resulting negative effects for Nordic security policy.

How Will the Soviet Union React if Norway Accepts SDI Bases?

Another aspect of the U. S. SDI program is the role Norway as an alliance partner is expected to or will play. A recently submitted report regarding technological and scientific sides of the SDI program affects the issue of Norway's participation in the program. The report, written by employees of the Norwegian Defense Research Institute, points out that Norway as an industrial nation must keep in step with other countries developing SDI technology.

The researchers see a possibility for Norwegian technological development if one participates in the SDI program. The report, which was submitted to Prime Minister Willoch in June 1985, is of a purely technical and scientific nature. No political considerations have been made.

The strong wish to participate in the SDI program or to share in research results from it, may place Norway in a security-politically sensitive situation. The risk of pressure from the Soviet Union is obvious. How will the Soviet Union react if SDI-related installations are placed on Norwegian territory?

How should Norway react if the Soviet Union were to expand its early warning capacity on Svalbard, in order as early as possible to detect and block U. S. bomber routes over the Arctic Ocean?

Conclusion

The list of examples of technological changes could be made much longer. I have not for example touched on the modernization of the helicopter, landing, armored and artillery units in that part of the Soviet Union which borders on the Nordic region. However, the examples given should illustrate clearly enough what security policy problems the development of military technology represents for us Nordic residents.

The Kola peninsula is a piece of land which is increasing in strategic importance in the global competition between the superpowers. Accordingly, whoever possesses this valuable region concentrates on defending it. The defense measures can relatively easily also be used for offensive purposes (or in pure "power projection") against the neighbors--that is to say the Nordic countries. Theoretically, we ourselves (the Nordic countries) can balance the offensive capability by investing in improved defensive capability. This is one side of the coin.

On the other side of the same coin we are helpless spectators, however: this concerns the risk of unintentional escalation. Since the Kola peninsula is the valuable piece of land it is, it naturally attracts the interest of the other superpower. It is in the latter's interest that all that is valuable up here will not be used. What is regarded by one side as a defensive act is regarded by the other side as a purely offensive act and then the escalation is dangerously close. Seen from a military point of view we cannot compensate for the threat (that would even accelerate the escalation process), but we have only political means to resort to. This is why we place so much value on confidence-creating measures, which all very well and good. There is, however, a danger in blind belief in a nuclear-free zone, for example.

Much is at stake in a global perspective for both superpowers with all that is valuable in the Norwegian Sea/Barents Sea and in adjoining coastal nations. This is why is appears impossible that the United States, for instance, would refrain from introducing nuclear weapons into the Norwegian Sea, or even into Norway, in a crisis situation. It can surely also be motivated to use the weapons in a situation where, as one sees it, one is forced to do so.

Some concluding words about security policy consequences for Norway and Sweden.

It is becoming increasingly difficult for Norway to carry out the delicate balancing act of "deterrence-reassurance." Due to the widened gap between the structural goals of the defense and the defense budget, the Norwegian defense is losing more and more of its deterrent capability.

At the same time Norway's capability to "reassure"--that is to say to assure the rest of the world regarding the clearly defensive orientation of its defense measures--is diminishing, because the threat picture causes Norway to have to invest more in order to secure allied reinforcements in time. Not only aircraft to COB airfields should be in place within 48 hours, but naval and ground forces as well, preferably sooner. This poses further demands on preparations for rapid and secure reception of the reinforcements, as well as political decisions to ask for reinforcements in time.

How likely is this? The ability to make political decisions in time is hampered by the problem of interpreting intelligence as well as the opponent's increased opportunities for surprise. How far can Norway go in relaxing the base and nuclear arms restrictions before it becomes politically untenable, not only for Norway but for the entire Nordic stabilization pattern?

The Norwegian dilemma is just as much a Swedish one. The earlier allied reinforcements arrive in Norway, the more important it is for the Soviet Union ot prevent these reinforcements from arriving. Furthermore, there are a number of other reasons for the Soviet Union to dominate or neutralize Norwegian territory, reasons which this essay has already touched upon. The risk of operations on and over Swedish territory is therefore that much greater. It poses major demands on our C^3I capacity and our air defense. But we have also entered a phase in which the gap between structure and allocated resources for the defense has widened. For us, as well as for the Norwegians, it is important to have political decisions in time. We even have the defense minister's word for that.

Unlike Norway, we have no opportunities to ask for allied reinforcements, and we also should not have any, if we are the least concerned about Nordic stability.

Unlike Norway, however, Sweden has the opportunity to increase its defense efforts without having to "reassure" the rest of the world that what we are doing is purely defensive. If, for example, we invest in an improved air defense and C^3I capacity, this is something which not only Norway but even the Soviet Union can benefit from.

Our neutrality policy dictates that we must be able to rebuff violations and threats no matter where they come from. From this it follows that the Soviet Union must greet an expansion of our air defense with satisfaction, since we improve the chances of halting for instance cruise missiles intended for targets to the east. The fact that this same Swedish armament benefits Norway's security-policy situation as well is a reinforcement of the Nordic stability pattern, and no one could reasonably have any objection to that.

Pluses, Minuses of Southern Norway Attack Scenario

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[Article by Bo Hugemark]

[Text] Sweden can be neutral in war if the major powers regard refraining from attack as the favorable alternative. The reason is among other things the submarine violation, which are considered to have demonstrated that the value of Swedish territory has increased. The "benefit" of subjugating Sweden would therefore exceed the "cost." The Soviet Union would evaluate an attack as "profitable."

The purpose of this essay is not to evaluate in absolute terms the probability of such statements. It is more modest; namely, to inventory which factors might be important in this "cost-benefit calculation." In so doing I assume that the "benefit side," that is to say the motives for an attack in Scandinavia, has been discussed by other lecturers/authors. I am satisfied with making certain assumtions regarding strategic Soviet targets in a hypothetical war. Principal importance is placed on examining various means to achieve these goals: Are the costs acceptable or so great that an attack is unprofitable? Is it possible to find methods which are cheaper than the traditional ones?

Preconditions

The discussion begins with a situation in which the Soviet Union evaluates an outbreak of war between East and West as imminent. The effort is to keep the war at a conventional level as long as possible. It is judged that the connection across the Atlantic will acquire decisive importance in some conceivable courses of events. Since it is very difficult to foresee which development will actually take place (due, among other things, to uncertainty about nuclear escalation), the Soviet Union wants to guard itself by taking the initiative from the outset in a battle of the North Atlantic. To this end it is necessary immediately to render it impossible for NATO to use the southern Norwegian air bases and subsequently take them for its own use.

Such operations are carried out under tight pressure of time. If the objectives are not achieved sufficiently quickly, there is risk that NATO will have time to reinforce the defense of Norway, that NATO irretrievably will take the initiative in the Atlantic war or that important transports have time to cross the Atlantic before the Soviet Union has had time to seriously threaten the sea lanes.

No exact time requirements can be formulated; it is a matter of very complicated connections which vary according to the exact course of events.

Roughly, it may be said that from the very first day of the war it is necessary to prevent reinforcement transports to Norway, and it is desirable within 1-2 weeks to be able to provide advanced bases for Soviet aircraft. The longer it takes for the latter, the more difficult it will be to take the initative in the battle for the Atlantic and the more convoys will have time to cross. In theory it can be calculated that the U. S. standing forces will have been shipped over one month after a decision. This does not mean that the "race is over," however. In a longer conflict, regardless of whether it involves drawn-out acts of war in Central Europe or a stalemate and attempts to bring about a decision through indirect strategy it might be essential to prevent the transfer of reserves, replacement materiel, military maintenance or civilian supplies from the United States.

Various possibilities may be envisioned for the Soviets to achieve these goals. However, all alternatives would need to be preceded by massive fighting against for instance southern Norwegian air bases, carriers in the Norwegian Sea and potential NATO reinforcement transports en route to Norway. In this connection it is likely that Swedish territory must be used to such an extent that it is not a matter of neutrality violations but of acts of war. After the initial blows, aerial combat must take place continuously during a long period.

After or in connection with such combat occupation of the air bases in southern Norway could theoretically take place in the following manner:

(1) parachute landings through Swedish territory.

(2) by parachute landings and/or disembarkations directly against the target but avoiding Swedish territory. One possibility is operations through the Baltic outlets along the lines of Hitler's "Weseruebung" on 9 April, another is operations originating from the Kola peninsula.

(3) by invasion from/through Danish territory, after occupation of it.

(4) by invasion from/through Swedish territory after occupation of it.

I will here analyze mostly alternative (4) which is a traditional Swedish "attack scenario." After that I will deal more briefly with the others for comparison. It is already possible to determine, however, that (1), (2) and (3) are very sensitive operations, which involve taking considerable risks of total failure. In addition, (3) would be extremely time-consuming; Denmark could scarcely be occupied in less than 2-3 weeks.

Evaluation Method

In our defense planning it is common in analyses of this kind to work with the following "cost classifications:"

--The deployment of forces needed for a successful operation.

--Losses over the course of the operation.

--Time for accomplishment of the operation.

--The risk of failure.

Usually the concept of constraints is used, that is to say the circumstance that forces cannot be used in other directions during a certain period. But this lies so close to deployment (if viewed in a dynamic perspective) that it is unnecessary to differentiate between these two concepts.

A number of complicated interrelationships exist between the cost classifications. A large deployment could reduce time consumption and risk of failure. It could mean increased losses of vital resources, or reduced such losses if the result is a rapid breakthrough. The individual cost classifications are in themselves very complex. The deployment breaks down into various kinds of materiel and forces more or less exclusive and valuable. The importance of time depends on what kind of counterattacks the enemy might undertake. The size of the risk and the inclination of the attacker to take it are factors that are very difficult to evaluate. It may be added that it is also very dangerous to try to evaluate how the benefit is valued and that it could be debatable what is benefit and what is cost. (Should, for example, a late occupation of the final target be expressed as reduced benfit or high time cost?)

The outcome of all of these complications is that it is impossible to expect to be able to evaluate different alternatives in exact measures or even particularly systematically. A systematization essentially fulfills the need for being a check list that the alternatives have been evaluated more or less fairly. In order to become comprehensible the evaluation must be expressed verbally in relatively brief terms. In so doing one runs the risk instead of ending up in overly specific scenarios and drawing overly general conclusions from them. It is difficult to keep the course clear of both the Scylla of abstraction and the Charybdis of concretion.

Major Attacks

In defense planning we generally distinguish between two kinds of invasion, major attacks and surprise attacks. The difference relates to our preparedness level; major attacks are against a Swedish defense which has undertaken extensive mobilization measures, while surprise attacks mean that these have not taken place. The definitions are not quite crystal clear and are to some extent circular reasoning, which leads to a lack of clarity of the borders between the forms of invasion. This has less significance in the present discussion, however, where the nature of the attack is evident from the actual description.

We anticipate that a major attack must be opened with an extensive aerial attack on the Swedish defenses against invasion in order to make us "ripe for storming." The attacker must knock out the main portion of the military forces which might operate while he is shipping across outside the skerries and which could be flexibly deployed in various areas (attack aircraft, submarines, surface attack ships). He must clear the way through minefields against the intended landing beaches, overcome the coast artillery which defends inlets and beaches and see to it that the beach defense on the whole is knocked out. Stronger reserves of armored units, for example, must also be prevented from intervening in the sensitive first hours of a landing.

The combat described above takes place primarily with attack and bomber aircraft. Particularly in the final phase it can be supplemented with airborne landings, deployment of sabotage units, etc. A precondition for aerial combat and airborne landings is that the Swedish fighter aircraft and air defenses have been knocked out or otherwise prevented from operating.

This "preliminary combat," as the abovementioned phase is called, is a complex activity, which is likely to be rather costly. It probably takes at least a week, perhaps two, even if the most recent advances in arms technology are used and even if in advance one refrains from achieving full effect and instead concentrates on protecting the crossing. Considerable aircraft losses are certain to occur through Swedish countermeasures, perhaps one-third of the deployed force. Because of this thinning-out, among other things, it becomes necessary gradually to muster strength for deployment against the future landing area. The resources are not sufficient to fight a large number of beaches, junctions and Army reserves. This concentration of the attack increasingly reveals the intentions of the attacker, which makes its possible for the defender gradually to move his attack reserves against the future landing area. We can receive additional early warning signals by seeing where the attacker sweeps mines and where he undertakes his airborne landings about 24 hours before the landing.

To some extent the attacker may be able to reduce the time expenditure and the revealing effect by temporarily increasing his air force deployment. Air forces are extremely mobile, after all, and he may be able temporarily to rebase aircraft from other sectors to the northern region. In so doing the planning becomes even more complex, however, and it might be difficult for him to predict for instance when the principal opponent's air activity in Central Europe will permit withdrawals.

The traditional image of a coastal invasion is that the attacker obtains a beachhead, fills in with combat forces and finally breaks out in an offensive against the ultimate targets. The beachhead must be relatively easily accessible (not have excessively difficult approach conditions), have beaches which permit the landing of special tonnage and possess harbors with large capacity. Further, terrain and connections on land must be such that they favors combat with mechanized units.

One condition for planning has long been that the attacker can only establish one beachhead, depending on, among other things, limitations involving fighter aircraft, airborne landing troops, transport aircraft, helicopters, minesweepers, landing craft, etc. Since we have long been talking about the fact that the major power has increased his capability for coastal invasion through advances in arms technology and transport technology and new methods for coastal invasion, it might now be time to question this presumption.

Regardless of the number of beachheads, the crossing and landing alone is a dangerous operation. The multitude and variety of Swedish armed forces have the effect that the attacker despite the early combat may suffer losses such that the operation fails. Since in this situation harbors are likely to have been blockaded, the first landing waves must take place with special craft. At present the capacity is at most one regiment at a time, which could be at least a five-fold inferiority compared to the army reserves that might be deployed by the defender during the first 24 hours.

It is likely to take a number of days before major ports are taken, another few before they have been cleared and repaired, yet another few before sufficiently many divisions have been landed in order to break a defense, which in that situation has been reinforced considerably by concentrating armed forces from parts of the country which are now no longer threatened.

As was mentioned above, the landing requires extensive preliminary combat. If the attacker has overestimated the effect of this, the operation could suffer catastrophic losses during the sensitive crossing. But even if Swedish air, naval and coast artillery forces have been 100 percent overcome, there is always risk that the principal opponent deploys attack aircraft at a decisive moment. Deadly threats can be aimed against the landing fleet from bases in Central Europe, Norway or carriers in the Norwegian Sea. In order to prevent this, major coordinated air operations are required against NATO aircraft over a long period.

Besides time expenditure and risk of failure, the landing phase could also result in losses of vital resources of the abovementioned kind. Losses of aircraft and airborne landing resources could become serious in the continued operation in all directions, losses of landing tonnage and minesweepers become felt if the Soviet Union intends to occupy Denmark at a latter stage in order to open the Baltic outlets.

If the attack nevertheless succeeds in shipping across, landing, establishing the beachhead, charge up and break out, extensive operations lie ahead before the ultimate target is reached. His losses during these and the time it takes are difficult to estimate. They depend on, among other things, what armed forces we have left, whether the attacker succeeds in limiting our mobility and NATO's capabilities for counterattacking. The attacker strives to take the largest areas possible, to tie down our forces by crossing the land border in the north, by aerial combat, parachute landings and diversionary operations, as well as by moving up his own aircraft as soon as possible to Swedish bases. Even if the operation to this extent proceeds according to plan, it is likely to take several weeks before a decisive attack could be aimed against the ultimate targets. During this entire period the invasion forces are dependent on largely undisturbed communications at sea.

The latter applies to NATO as well if one wants to reinforce southern Norway by sea. The air supremacy over the Atlantic and Baltic coasts is thus of decisive importance. Here the Western side is in a more favorable situation since from the beginning is has air bases on the Scandinavian peninsula at its disposal. In order to turn this situation around the Soviet Union must not only occupy them but also put them in shape (the Swedish defense has extensive plans for blockading) and group its own resources. If NATO during the outbreak of war begins to prepare its reinforcements and succeeds in keeping the North Sea sufficiently clear of Soviet submarines, the reinforcement transports could be completed before Soviet aircraft can operate from bases in

Sweden, perhaps while NATO aircraft and Swedish aircraft still offer good protection against airborne operations from the Baltic countries.

The described operation implies that the Soviet Union as quickly as possible advances toward its ultimate targets in Norway. This must take place at the cost of leaving large portions of Swedish territory untouched for a long time. This gives the West opportunities to utilize Swedish territory for its purposes. If operations are under way simultaneously in Central Europe, NATO has major aerial operational advantages to gain from being able to overfly Swedish territory against targets in Eastern Europe, communications nodes, reserves, maintenance transports etc. Other aerial routes sensitive to the East lead toward sea transports along the Baltic coast, naval bases in the Baltic region or the shipyards in Leningrad or strategic targets in the interior of the Soviet Union. The disadvantages would become even greater if NATO could operate from Swedish bases. Without speculating too much over what decisions a Swedish government would take when the neutrality policy has failed, it is nevertheless possible to state that the attacker will hopefully consider that he has much to lose from violating our neutrality.

The early introductory air attacks, which it is assumed that the Soviet Union will aim toward NATO bases in southern Norway, represent the starting shot for an embittered fight for sea supremacy in the Norwegian Sea and the North Atlantic. In all probability NATO will thereby take the offensive. At the same time as a hunt for Soviet submarines will begin, air attacks will be aimed against Soviet surface forces, air bases etc. The defense of northern Norway will be reinforced. The outcome of this trial of strength is difficult to predict, but the Soviet Union runs a certain amount of risk that if and when they succeed in conquering the southern Norwegian bases and move up their own aircraft there, NATO will have achieved such successes in the naval war and undertaken such countermeasures that the gain from the Scandinavian operation will be an illusion.

Even if the East will ultimately succeed in establishing "sea denial" for the Atlantic sea lanes, the value of this is likely to be lower the more time has passed and the more vital transports have already been completed.

In conclusion may be stated the following about the profitability of the major attack:

The advantage for the attacker of undertaking a major attack is that he can minimize the risk of major losses or failure due to the effect of the Swedish armed forces. After all, the long preliminary combat is aimed at making Sweden "ripe for storming." If this does not take place at the established time, it is probably possible to postpone landing for the required number of days. The big problem is, however, that the preliminary fighting against Sweden does not prevent NATO aircraft from intervening from bases in the vicinity of Sweden. The long time required for a major attack also gives NATO the opportunity to have time to carry out a large number of countermeasures which might result in the ultimate goal not being achieved or being achieved so late that its value is greatly reduced.

It is therefore time to continue and examine if there are methods of attack which could reduce the costs. Closest at hand is to concentrate on surprise. It is possible to outline a relatively conventional surprise attack from the major attack.

Attack With a Surprise Beginning

We begin by reducing the time for preliminary combat by letting it start against Swedish air forces which are not fully mobilized for war. An attack against a completely unprepared air force on a peacetime basis is obviously most favorable. However, this is perhaps an overly optimistic hypothesis (for the attacker). If this hypothesis forms the basis for planning the attack, it means that the attack will fail if Sweden receives the least amount of early warning. Let us assume that the attacker instead presumes that the Swedish Air Force has gone to a higher preparedness level and has switched to wartime bases which do not have full service capacity, however. In this case it would take several hours, perhaps 24 hours, even with massive deployment, before the attacker can take the risk of deploying transport aircraft and landing craft. In this phase Swedish aircraft have not been knocked out for good, but continued extensive combat and protection is necessary for the invasion attempt.

Between the parachute landing forces and forces landing on the beach on the one hand and Swedish strike prevention units on the other there is now a race under way to take ports and airfields, and to defend and blockade them. The outcome is extremely uncertain. If the attacker wins, he could within about 24 hours muster an increase in strength which is considerably larger than in the major attack, as a result of being able to use commercial shipping immediately. This means that one (or more) bridgeheads could be established more rapidly. Contributing to this is also the fact that opposition is weaker, since Swedish ground forces have not had time to deploy, or even mobilize partially. Furthermore, mobilization might be disturbed by the attacker by various means, air attacks, airborne landings, sabotage etc.

This relative weakness in the defender also enables the invader to begin the offensive against the ultimate targets sooner. The Swedish forces are always behind and must improvise defense and counterattack with recently mobilized, untrained forces with major personnel and materiel shortcomings.

This type of invasion should reasonably take considerably less time than a major attack. But it is not possible to avoid the technical timetables for crossing, unloading and advancing with sufficient supplies. Roughly, one could perhaps estimate the time for the entire invasion even against weak opposition as at least a week, during which time NATO quite likely has time to undertake a number of countermeasures.

The price for the high rate of attack is greater risk. The effect of various deployments is uncertain already against the Swedish armed forces. The entire venture must probably take place according to a strictly fixed (and thus sensitive) plan. If more aircraft survive the brief preliminary combat than anticipated, if raids against some important coast artillery units fail, if the Home Guard succeeds in blockading some important harbors, the plan could come to nothing. If potential NATO contributions are also added in, the venture becomes exceedingly hazardous. It is certainly possible to speculate that NATO will not have time to intervene. But how is the attacker to evaluate this reduced risk for NATO intervention in relation to the greater risk of failure in case the intervention takes place anyhow?

The more rapid course of operation also provides NATO with less time to utilize Swedish territory for attack against the rear parts of the Warsaw Pact and the Soviet homeland. However, such interventions cannot be excluded during the week which was assumed above to be the minimum time for occupying Sweden. If the attack takes place simultaneous with major operations under way in Central Europe, the problem recurs of weighing the advantages for the Warsaw Pact and NATO of forcing Sweden into war on the Western side.

Strategic Coup

One way of getting out of this dilemma could be to make the invasion of Sweden even more rapid in such a way that Swedish resistance is completely paralyzed, Swedish territory can be occupied immediately and Soviet aircraft quickly be based far forward. This type of attack--which we may call a strategic coup--requires an entirely different method than those previously outlined. The start must be identical, a paralyzing strike against the Swedish Air Force. After that, operations must follow immediately across the entire surface in order to prevent mobilization as well as to take a large number of points where it is possible to fill in with troops, by air, by sea and across the land border. Our command system is paralyzed through jamming, sabotage, etc. There is a lack of organized resistance and the final occupation can therefore take place with relatively limited forces.

A strategic coup quite likely requires extensive preparations in peacetime. Detailed intelligence must be gathered on the situation in our defense installations. Preparations must be undertaken so that sabotage units can rapidly find the way to objects or persons who are to be destroyed or murdered.

Realization of the coup is a sensitive operation, of course. If the defender's preparedness has been judged incorrectly, it could easily fail. It is likely to require deployment of airborne landing forces on such a scale that it is uncertain whether the resources are sufficient. In this respect it is necessary, however, to make numerous reservations. The vulnerability of society can increase so that evaluations of the necessary deployment of force can change rapidly. The concept of surprise also encompasses the use of new, unexpected methods. The shock effect of a surprise attack would be great, to be sure. There is a tendency in us to underestimate psychological factors, to presume that everything will progress according to plan. The attacker might not need to deploy all of his parachute landing divisions and physically prevent every soldier from mobilizing in order for mobilization to break down;

it may be enough with considerably more modest efforts in order to break the will to resist. The less effort the more concealed the preparations can be made and the less the risk that the Swedes will raise the preparedness level and that NATO will prepare countermeasures. The rapid operation then gives NATO little time to react.

But the fact that the Swedish defense breaks down will not mean that the attacker has reached his strategic objectives. Of course, the air route would be free toward Norway as far as Swedish air defense is concerned, but this would apply to NATO as well toward the east and southeast. It ought to be at least a few days before the Soviets can move up the bases of their own aircraft and prevent NATO from overflying. The next step, the occupation of southern Norway, cannot take place solely by way of aerial landings, since NATO is likely to have raised its state of alert considerably. Hence, the Soviet Union must add reinforcements to Sweden and follow up with a traditional land offensive, something which ought to take at least another week.

Isolated Attack

The fact that Sweden has strategic value for both sides obviously creates a dilemma for the attacker. One way of solving this is by definition an isolated attack. This will be discussed in greater detail by Einar Lyth. I am satisfied to make two statements.

First, the isolated attack is often dismissed with the argument that it provides too little benefit at too great a cost. This evaluation is generally quite arbitrary, however; no systematic comparison with the profitability of other more "politically relevant" cases of attack is made.

Second, it is maintained that: "An armed conflict in the north is therefore scarcely conceivable under otherwise calm and stable conditions between NATO and the Warsaw Pact" (FK [Defense Commission] 85). This is a sham battle. The definition of an isolated attack is not that it is carried out during a complete state of peace but that the principal opponent does not interfere. What should be taken into consideration is whether situation could arise in which the Soviet Union initiates a major war with an attack on Sweden, and NATO takes so long with various countermeasures that the attacker neither needs to maintain a guard in other directions nor risks NATO interference against the invasion of Sweden. In other words, an introductory attack which is regarded as an isolated one by NATO and which is definitely felt as isolated by Sweden.

Goes Directly for the Ultimate Goal

The weakness of all alternatives which imply invasion and occupation of Sweden is that they give NATO time and opportunity to undertake countermeasures. The same disadvantage is inherent in an invasion originating from Danish territory (or through the Baltic outlets after Danish territory has been "neutralized").

It would therefore be more advantageous if an invasion attempt could be undertaken directly against Sweden.

Such an attempt would likely be prefaced with massive air attacks in order to defeat air forces in southern Norway and Denmark.

Aircraft carrier forces in the Norwegian Sea must be eliminated. The strike is immediately followed by airborne and seaborne landings in Norway. Since the landing fleets must come from Murmansk or the Baltic Sea the potential deployment against southern Norway will either be very small or very late (since NATO sounds the alarm if large forces assume positions of attack). The weight of the first wave must therefore lie in parachute landings. Most favorable would be if they could be flown over the shortest route, that is to say over Sweden. This alternative is all the more appealing since Swedish territory must already be violated during the introductory aerial attack.

One precondition for success is obviously that Swedish air forces are prevented from interfering. If this is to be accomplished with military means, the attack must take place as a surprise. A Swedish Air Force which has transferred to wartime bases would inflict decisive losses on the airborne landing attempt.

The Swedish Air Force must be neutralized on a long-term basis. If it is not eliminated entirely at the initial stage, resources must be set aside for continued suppression and combating.

Maintenance and reinforcements must continuously be added to the airborne landing units. It is likely that a sea-land link must be established rather quickly. Again, access to Swedish land territory is required. Another reason for this might be that it excludes the risk of Swedish intervention against the sensitive positions in Norway (a parallel to the German fears after 9 April 1940). The Swedish defense should probably have mobilized by now, and even if the air forces are practically eliminated a time-consuming invasion is impending. In one way the preconditions for this are more favorable than in previous alternatives: NATO's opportunities for intervention. On the other hand, the Soviet Air Force is probably hard pressed from trying to establish air supremacy far from its home bases.

An alternate possibility is to assure the required access to Swedish territory through means other than direct military ones. If Sweden could be induced to regard the first massive overflights as violations of neutrality, not acts of war, if the Swedish contributions could be kept at a low level through appropriate threats and if Sweden, Norway having been been occupied, could be induced to regard itself as without a chance, more of the attacking resources could be concentrated to the ultimate goal. This alternative might appear unlikely against the background of our declaration that "Neither fears nor expectations may be created that even under strong external pressure Sweden would abandon its policy of neutrality." It cannot be excluded, however, that our will could be misjudged on the basis of (incorrectly interpreted?) historic experience or the fact that in present-day acute crises we show that we are afraid to use military means of force. The alternative is so favorable that it would be worth a great deal of effort to try to form a foundation with peacetime political means. Such means could include, among others, propaganda about the horrors of war and about the meaninglessness of armed resistance to a major power. The Swedish people should be convinced that resistance is to play into the hands of the other major power but that help from it cannot be counted on. Gradually stepped-up violations of Swedish territory can be carried out in order to create some form of acclimatization, which makes it easier for Sweden to be able to refrain from regarding violations as acts of war without choosing to continue its "neutrality."

Threats of terror bombing, perhaps with nuclear weapons, can be brought out in acute situations. One way to accomplish this in a more veiled manner would be if a nuclear-free zone could be created with conditions of the sort that freedom from nuclear threats were valid as long as a country did not participate in a war of attack on the side of a nuclear power.

Examination of the Preconditions

The case under discussion implies, as is obvious, a dilemma for the Soviets: almost compelling motives and nearly prohibitive costs for many of the solutions. There is thus reason to go back and scrutinize the strength of the motives. The basic outlines of such an analysis can only be hinted at here.

My fundamental assumptions concerned the concept of a long conventional war, of the importance of the Atlantic connections and of the significance of southern Norway for the Atlantic connections.

The war could, of course, develop so that NATO's conventional defense breaks down rapidly. This could lead to for example nuclear arms escalation, a victory at the negotiating table or a rapid occupation of the European continent. However, none of these alternatives imply that it will suddenly become uninteresting to sever the links between the United States and Europe. Each one contains many conceivable scenarios in which it is important for the Soviet Union, in order to achieve a politically favorable result, to demonstrate to the West that the situation is hopeless, that the experience of two world wars with U. S. rescue operations will not be repeated. Furthermore, as is pointed out in the introduction, in today's strategic situation it is difficult for an attacker to predict the length, geographical extent and level of the war. Assuring control of the Atlantic communications is insurance against unpredictable events.

One might ask, then, whether there are possibly other ways of acquiring this control. If, for instance, Soviet bombers and attack aircraft from bases in Central Europe are able to attack convoys docking at the European coast, entering harbors and unloading, the submarine war would lose in importance. The Soviet Air Force is not likely to possess enough strength yet to play such a role, but this is a development which should be followed carefully.

A third objection might be that the southern Norwegian air bases do not constitute a decisive obstacle to a Soviet submarine war. If the Soviet Union instead could have nuclear-powered submarines in great quantity in the North Atlantic before the outbreak of war, there would not be an equally urgent need for preventing NATO's submarine hunt in the GIUK gap. There is thus reason to follow closely the development of the Soviet peacetime naval dispositions and naval aviation--it is often maintained by NATO that even a Soviet occupation of northern Norway would result in "popping the cork out of the bottle" and a swarm of Backfires would threaten the Atlantic convoys.

Some Concluding Reflections and Conclusions

Under the given preconditions traditional invasions, in particular the major attack, appear rather unlikely. The conclusion cannot be drawn from that that the orientation of our defense efforts is wrong. There are several important reservations:

First, it is largely the circumstance that we have guarded against these events which makes them unlikely.

Second, the above analysis has been aimed at looking at the worst outcome from the Soviet point of view. This includes NATO's countermeasures as a sometimes decisive cost. However, Sweden cannot, while retaining its nonalignment, structure its defense according to presumed help from outside. It is also not possible in a concrete situation to be sure that it would be given. In order to quote the supreme commander's 1957 study: "Valid for all alternatives is that the possibilities for a country such as ours to obtain military assistance from outside in the event of attack is primarily dependent on whether the respective major power regards the aid to be justified in view of the general war situation."

Third, this analysis was undertaken for a rather specific case. The defense planning must be based on a much wider spectrum of conceivable military-political starting points, attackers, strategic targets, restrictions, time conditions etc. A comprehensively structured defense is therefore necessary.

What has been said does not mean that all is well regarding our defensive capability, however. Starting from the discussed situations there is reason to stress a few points where one has to be careful with the development.

--The common denominator for all methods of attack is very large air attacks over and against our territory. The need for a strong fighter defense is obvious.

--Surprise attacks are a more attractive method than a major attack, particularly if they can take place with very little forewarning. The objection that "a bolt from the blue is unlikely" is not convincing. States have often been surprised by bolts from the most threatening sky. An overly sanguine attitude toward surprise in the victim makes it more irresistible to an attacker. It should be pointed out here that the threat of surprise cannot be taken as a pretext for unilateral concentration of certain types of armed forces. It is necessary both to assure that airborne and naval forces survive the fight and that ground forces can be mobilized and prevent a swift occupation.

--Entirely decisive for whether the attacker is to hold back is his conviction that we will not hesitate to use the armed forces as intended and that he will have to assume all the consequences of violating our neutrality.

Isolated Attack on Sweden

Stockholm INTERNATIONELLA STUDIER in Swedish No 1, 1986 pp 28-35

[Article by Einar Lyth]

[Text] For the security policy studies which in the early 1970's were made the basis for the so-called controlling or dimensioning cases of attack in Swedish defense planning, the government proceeded on the assumption that the resource deployment of a major power during an attack on Sweden would be limited. Only a minor part of his resources would be deployed against Sweden due to the fact that in his planning he would be primarily concerned with a conflict with another major power (the so-called marginal doctrine).

But the government's instructions also include another interesting passage, where it is said that it is impossible to disregard the possibility that at some future time a major power could acquire such freedom of action in Europe that an attack against small nations becomes possible without interference by other major powers. After this statement, however, it says that particularly in similar situations a major power may try to achieve intended advantages with political means, if needed in combination with threats of military reprisals, chiefly the use of nuclear weapons.

These thoughts, reflected in proposition 1972:75, pp 7-9, represent the dominant picture in Swedish defense thinking as a potential victim of invasion only during an armed conflict between the major powers or an immediately impending one. Both the political and the general military objectives are thus assumed to lie outside Sweden. The choice of paths by which to accomplish these objectives by force might affect Sweden.

In its memorandum "Var Sakerhetspolitik" [Our Security Policy] (SOU 1979:42) the 1978 Defense Commission deals with the issue of isolated attack against some part of the Nordic region ("against the most exposed parts of the Nordic region") but not with an attack against Swedish territory alone.

The wording is the following (pp 85-96): "The question is whether any course of events could be conceived causing either superpower to attempt a limited military operation in northern Europe. The object of this would be gaining control of strategically vital positions and making the other superpower face an accomplished fact."

"The step to using military force should have considerable political and military consequences, however. It could lead to strong solidarity and armament within the opposite bloc, regrouping of forces to threatened areas and thus the risk that intended advantages would not be achieved. It also means that a tangible escalation threshold has been passed, with increased risk for continued escalation of the conflict. In a situation resembling that of today, an isolated military operation in Northern Europe could therefore be evaluated as very inlikely. The case cannot be excluded during a change in the military-political situation."

In its report the 1978 Defense Committee skips quickly over the question of isolated attack against Sweden with the following statements:

"... can be assumed that both parties avoid such an operation which it can be feared might jeopardize the most vital interests of the opposite party. Instead, it might be seen as advantageous through rapid and decisive measures to make the opposite party face an accomplished fact. This is why rapid military operations are likely to characterize the initial stage of a war" (p 53).

"... On the other hand, during a confrontation between the power blocs it is conceivable that either party through military operations in limited parts of the European area would pressure the other into political concessions or would secure strategic positions before a feared expansion of the conflict. Such a development could affect our region as well ...." (p 53).

"... During a growing conflict it can be anticipated that the two power blocs on the one hand try to guard against potential continued escalation by reinforcing defense readiness and training activity. Further, through demonstrative military measures they can mark their decisiveness to safeguard certain interests in ongoing negotiations...." (p 56).

From the context it is apparent that the military measures in all three sections quoted deal with the introductory phase of a major war between the United States/NATO and the Soviet Union/Warsaw Pact.

There is also the following passage: "An armed conflict in the north is therefore scarcely conceivable under otherwise calm and stable conditions between NATO and the WP" (p 55). The comment could possibly be made that precisely so-called calm and stable conditions--in the opinion of the authors of the report--under certain circumstances could be favorable for one of the parties to dare try an isolated attack.

1. Conclusion

Isolated attacks against small European countries, at least Sweden, have been dismissed as little worthy of attention. This is likely to be associated with three factors: the bipolar situation, the politically and militarily locked-in positions and the balance of terror. All three factors together greatly limit the freedom of action to achieve changes in power politics and especially to move up the military positions. But are the limitations really of the type that an isolated attack on Sweden can be excluded?

The policy of major powers, seen from a historical perspective, has shown the isolated attack to be the rule rather than the exception. It is sufficient to point out the Italian attack on Ethiopia in 1936 and Albania in 1939, the Soviet attacks on Poland in 1939, Finland 1939, Romania 1940 and the Baltic states in 1940, the German attacks on Austria in 1938, Czechoslovakia in 1939 and Poland in 1939. To be sure, it is possible afterwards to maintain that all of these actions constituted moving up positions before a coming world war, but for the contemporaries--and most likely to the actors themselves--they appeared more as isolated attacks, because all of them were founded on the assumption that no one would come to the aid of the victim and the attack would not trigger a major war.

2. Limitations

The type of isolated attack on Sweden which is discussed in this account is a military operation which is aimed solely against Sweden. The objective of the operation is to achieve occupation of the entire Swedish territory without any other state (third party) intervening militarily against the operation. The objective is intended to be accomplished primarily through invasion.

The fact that with these limitations I exclude threats, terror, etc. as significant means of force is only in order to concentrate the discussion around a few issues which are central to me. This also applies to leaving out isolated attacks against a part of Sweden (such as Gotland) or a part of the Nordic region (such as the Arctic area of the Nordic countries or the Baltic outlets) which include Swedish territory. This does not mean that I regard such objectives and means as less likely.

For reasons of concentration I examine only the Eastern case, that is to say an isolated attack carried out by the Soviet Union/Warsaw pact, started in a military-political situation (pact relationships, strength relationships, military geography) which largely resembles the present one. Other situations and other attackers would also be worth attention.

3. The Purpose of the Isolated Attack

Without having made a complete typology I expect that potential objectives behind an isolated Soviet attack on Sweden could principally be the following ("types of intentions").

1. Operationally conditioned offensive or defensive advancing of positions against NATO before a Soviet (A) feared or (B) planned imminent major war (such as advanced basing, control of airspace, control of the Baltic outlets). 2. A power-politically conditioned conflict measure (countermove) against a previous measure by the United States/NATO (such as in response to NATO's closing an international channel). 3. A security-politically conditioned

moving up of positions in order to counteract an ongoing or feared shift in the power balance to the advantage of NATO (such as loosening pressure in Eastern Europe, Swedish NATO membership, Finnish shift to the right, large-scale offshore oil exploitation in the southern Baltic or in the Arctic area of the Nordic region). 4. A power-politically conditioned unprovoked offensive moving up of positions (such as utilizing a favorable opportunity to increase power and influence, increasing one's own security, demonstrating the vitality of the system, masking weaknesses).

My main interest is tied to the three latter types of intentions, since they have been given the least attention in the debate.

Regarding intention types 2 and 3, it might be said that based on today's political situation a foreplay in the form of increasing tension with strong elements of threat, a shift in the balance or internal conflicts are needed before the Soviet Union would be motivated to start an isolated attack on Sweden. The same need not apply to intention type 4.

My basic assumption for the continued reasoning is that none of gain connected with intention types 2-4 (Sweden as a base, a pawn, compensation, potential) are worth the price of a major war. If the risk is judged great that the United States/NATO would expand the conflict into a major war or undertake measures rapidly judged as leading to a major war, the Soviet Union is assumed to refrain from attacks or in certain situations possibly even to break off an attack in progress.

The entire argument is based on a general assumption that the United States/NATO are interested in preventing the Soviet Union from establishing itself militarily and politically on Swedish territory, and that the United States/NATO in certain situations are prepared to defend this interest with military means--or in other words despite the fact that Sweden is not a member of NATO come to the assistance of the country during attack.

4. The Passivity of a Third Party

If the attack on Sweden is to be kept isolated, it is thus presumed that a third party (USA/NATO) will not intervene with military means in order to prevent invasion and occupation.

Here follows an attempt at a rough systematization of potential causes for such passivity ("typical case").

1. There is no time to intervene, since the attack against Sweden is not judged as threatening vital interests.

2. There is no time to decide (possibly not agree on) whether it is or is not appropriate or possible to intervene.

3. It is not possible to agree on intervention, with the result that intervention by a single state also does not take place.

4. Vital interests are believed threatened, but there is no time to intervene since occupation is rapidly accomplished.

5. Vital interests are believed threatened, but one still does not dare attack because of the risks (the NBC threat, among others).

6. Vital interests are believed threatened but other countermeasures are chosen (more appropriate) than military intervention.

7. One wants to but cannot intervene because the military resources are tied down (war or the threat of war in a different area, low preparedness).

8. One refrains from intervention for internal political reasons (sensitive situations before presidential election etc.)

9. One chooses to utilize Soviet/Warsaw Pact involvement in Sweden in order to move up one's own military positions in another region (Middle East, Persian Gulf, Finnmark/Spitsbergen).

Thus, we find a long list of reasons--most of them situation-dependent--in which it does not appear appropriate or possible for the United States/NATO to intervene in Sweden. None of the reasons can very well be dismissed as unlikely. If this is a correct evaluation the conclusion will be that the Soviet Union should have certain--perhaps even good--possibilities for escaping a U.S./NATO intervention by methodically structuring the attacks in such a way that the likelihood of intervention is minimized. The conclusion is that an isolated attack on Sweden under certain not overly far-fetched preconditions may be--or at least to the Soviet Union may appear to be--feasible.

5. Organizing the Attack

To avoid intervention.

More alternative courses of action can be construed in order to maximize the probability that the United States/NATO will not intervene. In order not to complicate the representation unnecessarily, it is possible to begin with a few essential features which all originate from the abovementioned type cases, namely: (the type cases in parentheses)

--the attack should not (immediately) threaten (be perceived as threatening) U. S. (NATO's, important NATO states') vital interests

--the attack should rapidly lead to the objective

--the attack should be structured so that it evokes different reactions in different NATO countries and in different domestic political factions (divide the front with threats and promises or in other ways)

--NBC threat can be utilized; (employment doubtful, however)

--prospects are made for negotiations and concessions

--current situations of weakness in the opponent are utilized, if possible

--U. S./NATO intervention will appear too risky to (parts of) NATO

Among these factors speed is obviously one of the most important. Early discovery of preparations for attack and slowly undertaken operations (occupation) with long remaining pockets of resistance allow time for decisionmaking and countermeasures and cause optimism and energy on the Western side. It is therefore most essential for the attacker that the attack comes as a surprise and very rapidly leads to the objectives.

Exceptions to this main principle might possibly be under special conditions (for example that NATO is already seriously divided or heavily engaged in another direction).

To continue, I assume an attack which is planned so that beginning with the discovery of preparations and intentions with sufficient certainty it will be able to lead to the objective in days or at most a few weeks. In the present Swedish armament situation it consequently takes a strategic coup (surprise attack simultaneously across large parts of the surface) or a surprise attack organized so that in-depth targets and gateways from the West can be taken or controlled early on. Such a degree of surprise and such a rapid course of invasion ought to presume that Swedish aircraft and coast artillery are knocked out early on by sabotage units, gas, remote mining or with other less common methods. Mobilization should be disturbed (including major cities, sabotage) and the destruction of Swedish communications should be limited. This requires the deployment of special units, special means of transportation and the most advanced resources in general. A great deal of personnel is needed, but they do not necessarily have to be heavily armed, particularly if the intention is to break the will to resist rather than the capability to resist.

Other type case-derived features concern the framework around the attack. It is obvious that if the attack is to be perceived as not threatening vital interests, it must not be felt as the introductory phase of an imminent major war. Dispersal, deployment and high mobilization along other fronts and at strategic forces should therefore be avoided. On the contrary; it is appropriate to have demonstrative thinning out and low mobilization. To be sure, this involves the risk of counterattacks by NATO on these other fronts. The likelihood that NATO would go to a counteroffensive, especially before a concentration etc. has had time to take place, ought to be negligible, however. A thinning out in secondary directions before or during the attack furthermore serves the purpose of concentrating all advanced means of combat against Sweden, which provides opportunities for achieving secure and rapid results. If this reasoning is correct, the marginal doctrine is thus eliminated.

The image of an attack target limited to Sweden can be further substantiated by openly and forcefully declared limited intensions at the outbreak of war, perhaps even supplemented with offers to accept observation groups or similar from the West.

Some countries should be exposed to threats or promises for the purpose of division. For example, one can threaten to expose Copenhagen to nuclear weapons--or gas attacks--and Norway to blockade if the countries "increase the risks of war" by abandoning their peacetime basing and nuclear arms policies.

Another divisive measure may be in connection with the attack to accuse Sweden of injudicious actions (secret aggressive agreements with the United States, unfulfilled secret promises to the Soviet Union or similar). With such allegations it is also possible to make attempts to give the attack a certain apparent legitimacy with respect to the home front and sympathizers abroad. Division can also be facilitated by prospects of armistice talks and subsequently retreat. The crisis situation in question must determine the content of the messages which intend to create the division.

Warning must be expressed that NATO intervention--perhaps even a higher state of emergency, transports etc--will imply an escalation which jeopardizes world peace and makes a negotiated solution impossible or something of the sort. It could be combined with statements about the obvious measures to prevent a major war (reduced state of emergency, thinning out) which the Soviet Union has unilaterally undertaken on other fronts.

The thinning out on other fronts in order to achieve a concentration of strength against Sweden could suitably take place before the attack in the form of major Warsaw Pact maneuvers in the Baltic region. Such an exercise allows for surprise attacks from an exercise grouping.

None of these measures is particularly original. They have all been used in modern military history. Taken together they are feasible and are likely to reduce the probability that the United States/NATO will intervene. The probability of this is further reduced if the attack also comes as a mental surprise to decisionmakers within NATO.

Characteristics

On the part of Sweden this would thus lead to an attack scenario, which on several essential points differs from other types of surprise attacks, primarily in the following respects:

--The attacker desires extreme surprise and an extremely brief course of operation.

--The preparations are likely to include a major exercise designed to conceal the intent to attack.

--The attacker's resources can be concentrated in a more pronounced manner against Sweden.

--From the outset the invasion is aimed at important partial targets across the entire surface.

--Swedish weapon systems which could conceivably prevent initial deployment across the entire area or delay the benefit of invasion must be prevented by means of unconventional methods from having an impact.

Here I will briefly supplement these characteristics on a few points in order to make the image more concrete.

Concentration of Power

Since the attacker must build upon surprise, the concentration of power cannot be pushed beyond the limit imposed by the risk of previous Swedish increases in the level of alertness. One is therefore relegated to the forces which exist in or near the operational area in a normal case in peacetime, as well as those which can be added for the major exercise and other forces which after the regrouping have time to be deployed before the end of the operation, that is to say primarily aircraft and airborne landing units or other airborne resources. This limitation should nevertheless allow the most advanced resources available for a highly mobile and different operation to be concentrated to the area before or immediately after the outbreak of war.

The most difficult thing is likely to be to add a sufficient number of tank and infantry divisions as well as the required crossing tonnage without bringing about increases in the Swedish state of alertness. The accessible and transportable divisions must therefore be reserved for solving the tasks which cannot be solved with other resources. Other means and methods must be used.

The Entire Surface

To the forces deployed against the farthest partial targets an initial deployment across the entire area (strategic coup) or across the entire depth of the various invasion directions means great vulnerability. Greater demands for endurance are placed on them. Furthermore, the demands for means of transportation become great. Even with good preparations there are major risks of failure here, which can be exploited by NATO during a potential intervention. Dispersal of the units also involves risks of having them isolatedly beaten. To refrain from dispersal and deployment in depth would be to assume even greater risks, however.

The problems of a concentration of strength by army divisions and initial deployment across the entire area must be solved, since the time demands are unconditional, by trying unconventional means and methods.

Unconventional Methods:

For Reasons of Military Economy

Even the superpowers have limited access to advanced weapon systems and are forced during planning to have to set rigid priorities and budget the resources well. A surprise attack with exacting demands for rapid achievement of the ultimate objectives poses great demands for efficient fighting, especially at the initial stage. Since the performance data of the weapon systems and the type, number and difficulty of the objectives are largely known, it is rather easy to figure out that this fighting is the Achilles heel of the operation.

For example, knocking out a bridge with a high degree of reliability requires quite a lot of aircraft missions and for these aircraft there are several alternative areas of use. One of the questions nearest at hand will then be whether the bridge can be eliminated with greater assurance and/or cheaper in other ways. A group of saboteurs is often both a cheaper and a more efficient solution, in particular if the group can prepare on the spot even in peacetime and if the bridge destruction can take place anonymously even in the hours before an outbreak of war.

This reasoning obviously does not apply merely to communications but also to command systems, war materiel and supplies. Today it is poor military economy and unnecessary loss of time to use aircraft, missiles, warships etc. for missions which can be solved by saboteurs. During an isolated surprise attack against Sweden it is rational to maximize the use of sabotage units.

For Reasons of Time

Another Achilles heel is transportation of troops across the sea by ship or aircraft. It is extraordinarily vulnerable and is considered to require air and sea supremacy. Disembarking from commercial shipping can be subject to delays both on the part of the defender (firing, mines, harbor blockades) and for technical reasons (breakdowns and other difficulties). The Swedish weapon systems, which must be prevented from being deployed against the sea transports, are above all fighter aircraft and antiaircraft artillery, which must be greatly reduced. Knocking out these Swedish resources normally requires major efforts over a long period (so-called preliminary combat). The combat result and time requirement cannot be guaranteed in advance. It depends on the weather, among other things.

The attacker must therefore find other solutions. Gas warfare, radioactive fallout etc. might be a solution. The simplest solution is probably massive sabotage deployment in combination with brief intense combat, which with the required degree of speed and reliability knocks out, ties down or temporarily neutralizes Swedish aircraft and other priority targets during the day or days of the decisive initial stage.

For Reasons of Transportation

Another weak sector is the limited availability of means of transportation. The availability of troops and units is much greater than the availability of transport aircraft, helicopters, Hovercraft, special tonnage etc. This concentration of transport tonnage is believed to be one of the most important early warnings one can get about an imminent invasion. Some of these weaknesses can be remedied by attacking from maneuver formations. The agglomeration of means of transportation are then assumed by the opposite party to be due to the exercise and not to other intentions. No significant increase in readiness is therefore likely to be undertaken in Sweden.

Invasion forces without heavy equipment can rapidly and secretly be taken on board commercial ships, fishing boats, river craft and warships. Helicopters can possibly approach from ships or refuel on ships during the return trip and thus have an extended range. Every method has been used before. Placed in a system, to the invading forces they imply high initial capacity but limited fire power, tactical mobility and endurance. Consequently, the attack presumes such large initial successes and such great shock effect that resistance is abandoned early on in the certain belief that it is not worth it. Actually, this is not very original. On the tactical level all attack-type behavior is more or less based on this effect.

Supplementary Characteristics

In conclusion, this means that the probable characteristics of the attack scenario may be supplemented as follows:

- --Air and sea supremacy is accomplished through massive deployment of sabotage units in combination with brief massive conventional fighting, perhaps with elements of N, B or C warfare. The preliminary combat is made brief, perhaps shorter than 12 hours.

- --The invasion forces consist principally of lightly equipped troops (500 transport aircraft carry either 1/2-2/3 airborne landing division or 5,000 heavily armed men or 45,000 men with nothing but hand-carried equipment.) For this reason even lighter tonnage can be used.

- --The aircraft are based on the well-founded hope that the operation will culminate before the endurance crisis becomes acute.

This attack scenario is finally characterized by the fact that the time frame constitutes the starting point for the planning of the operation. Instead of as usual starting with the targets and the opponents and varying the deployment of force, operational directions and methods and letting time be the regulator, the requirements of time are probably governing in this instance. Since the deployment of advanced systems must be maximized and thus in principle is given, it is the operational directions, partial targets and methods which can be varied. The planning ends with the answer to the question: Can the attack be carried out within the time frame with a sufficient degree of certainty? If the answer is no, one should probably abstain, because increasing the time means that the certainty is reduced in an unacceptable manner. This provides important starting points for defense against isolated attacks.

6. The Opportunities of the Swedish Defense

It has possibly been understood that the general validity of the so-called marginal doctrine is a precondition for rationality in the Swedish defense efforts. In that case I want to assert another opinion. The exceptionally high demands for time which are probably imposed on most variants of isolated attack on Sweden make the operation risky. How risky, depends both on the initial effect/endurance of the Swedish defense and on the willingness and capability for intervention by the United States/NATO.

The fact that this willingness and capability has a pronounced correlation with the U. S./NATO evaluation of the Swedish defense, in particular its endurance, was illuminated earlier. The greater the Swedish endurance, the greater the possibilities for the United States/NATO to intervene. The preconditions for resistance/endurance are also different from the other attack scenarios, however. Slow and disturbed Swedish growth in strength by units mobilized across the surface must be weighed against fierce initial fighting across the surface initiated by the attack with a greater variation of unit types, above of light ones, most of them with reduced mobility, protection and fire power and with rapidly culminating supply crises.

In many cases what becomes decisive is the time when the decision for increasing the level of Swedish preparedness is taken. This applies partly to measures for increasing mobilization readiness (such as rebuilding materiel) and mobilization reliability (among other things distributing materiel), and partly to decisions (perhaps emergency alarms) for partial mobilization and wartime organization. Measures for creating peace-keeping effects even against this case of attack require a higher and more flexible mobilization readiness and deployment readiness. Among other things, the attacker should be kept uncertain of what Swedish state of emergency he has to reckon with.

Routine increases in emergency readiness during crises and maneuvers by major powers are an important measure. There might be reason to remind people that --on the part of the Swedish Army--increases in emergency readiness to a level corresponding with routine readiness in Denmark, Norway and Finland would mean both conspicuous and expensive measures, difficult to administer. Here changes are needed. It must become more common, easier and cheaper--in short routine--to adjust the readiness to the activity in the surrounding region. The time is past when people in the government and the Army can sit back and relax with the argument that readiness and strength in the Air Force and Navy provide breathing room for decisions and measures in all situations.

There may, furthermore, be reason to examine whether defense structures other than our present one could provide better opportunities for coping with an isolated surprise attack. Maybe it would be wise in so doing to proceed from the assumption that the first round will be lost by the defender. What should the defending force look like, which is to have an opportunity to survive the initial phase in sufficient strength and thereby be able to provide a peacekeeping effect?

7. The Risk of Isolated Attack

In the introduction it was determined that an isolated attack on Sweden is largely regarded as so improbable that it has not been considered worthy of any kind of attention whatsoever in Swedish defense planning. To the extent that such an attack has been discussed at all, it touched on a preparatory operation before a major war. All other forms have been referred to a future Europe, in which conditions have changed so that the political and military freedom of action has become greater.

Against the background of the circumstances reported above, I am of a different opinion. I do not want to say whether conditions in the 1960's and 1970's justified the dismissal of the isolated attack. Regardless of which, the development has caused it to be time to revise official opinion on this point. Sweden is one of the few countries in Europe which the Soviet Union can attack without any immediate risk of nuclear war. Finland and Austria are in the same situation. Of these countries Swedish territory has the highest value to the Soviet Union. When construing threat pictures, conflict scenarios and attack cases today it is usual in Western Europe to start with the objective of the attack or with the ultimate goal of the operation. From these are then derived the means and methods. By so doing we have had to endure a multitude of conflict scenarios, in which targets assumed to be desired by the Soviet Union (such as the English Channel and the beaches of the Bay of Biscay) are reasonable, but means and methods (conventional major attack through the FRG) are of little expediency, not to say useless.

If instead we start with the military means and methods which--at least in certain cases--are useful and from them deduce what targets may be possible, we arrive at different types of conflict scenarios. We then find--perhaps to our horror--that an isolated Soviet attack against our country no longer appears as a case of attack to be ignored for the time being.

During the period of detente in the 1970's and afterwards the development has taken a course which should make isolated attacks on Sweden more current in the defense planning. The foremost reasons for this are

--that the security policy interest of the superpowers in the Nordic region has increased,

--that nuclear deployment at the initial stage of a major war has become less likely,

--that the ambitions and military capacity of the Soviet Union stretches farther west into the North Atlantic,

--that the technical resources for shipping over, air-landing and fighting from the air have increased,

--that the Swedish defense has become weaker in relation to the resources of the surrounding region,

--that the Swedish society and defenses have become more vulnerable to attack, particularly sabotage.

Possibly also that the isolated attack on Afghanistan in 1979 was accomplished and has been possible to isolate up to now.

Just how the stepped-up and potentially also more important Eastern intelligence activity against Sweden and the activities of a war-preparatory nature which have been ascertained along the coast and against our air bases are to be weighed in this context I leave to others to evaluate, however. The "extra arguments" are needed in order for us to realize that it is time to revise our fundamental view of the threat picture. In this context I want to emphasize that here I have touched only on a few types of isolated attacks. Other types as well are worth more attention. This concerns for instance isolated attack against Sweden as a preparatory operation before a major war, isolated attack with terror or the threat of terror as the foremost method of repression. This also applies to the risks of isolated attacks from the West and in altered military political situations. In conclusion I maintain that an isolated attack on Sweden is one of the few military operations in Europe which in today's security policy situation could possibly appear rational.

8. What Happens Afterward?

If we assume that the Soviet Union/Warsaw Pact succeeds in carrying out an isolated attack on Sweden mainly for the purpose of countering a feared shift in the power balance (intention type 3) or as an unprovoked moving up of positions (intention type 4), this means that Finland's dependence will increase dramatically. In all likelihood the country will rapidly fall under complete Soviet control. The Baltic Sea will become a Soviet inland sea and the Soviet Union will be a beachowner on the North Sea, where in the long run it has the chance to become the strongest naval power. The political pressure on Norway and Denmark will become great. These nations can choose between a course of adjustment and a course of confrontation, the latter most likely meaning abandoning the present base and nuclear policy. Regardless of the choice of paths the independence of the two countries will be undermined. A glance at the map is enough to determine for example that the strip of coast north of Trondheim cannot be defended either with military or with other means. It is probable that the Soviet Union with subversive and other means sooner or later will be able to transform Denmark and Norway into satellite nations. If this is correct, it is also correct that the situation of England and Western Europe will be fundamentally altered.

There is no major reason to carry the speculations any further, but it is here necessary to go back to the U. S./NATO tendency to intervene in order to prevent an isolated attack on Sweden. The conclusion ought to be that intervention in such a situation is necessary even at the cost of a major war and despite the fact that Sweden is not a member of NATO.

Against the previously reported background it is further possible to maintain that a massive and early military effort by the United States/NATO is necessary. Moreover, only an early effort can contribute to increase Swedish endurance. How is this to be accomplished? The time conditions which were discussed, in combination with basing opportunities and military geography, indicate that only the deployment of aircraft or nuclear weapons can provide results in time. An airborne effort must take place through or in Swedish airspace. This in turn focuses the spotlight on the Swedish security policy (or after the outbreak of war perhaps "military policy") in such a situation. If an isolated attack on Sweden were to become reality--what immediate decisions would a Swedish government then be faced with?

Well, then: If the United States/NATO must intervene in their own interest, then it must be that an isolated attack, despite what was said before, is not practically feasible, mustn't it? If Sweden is attacked NATO has to intervene, otherwise it will be digging its own grave. Therefore an isolated attack against Sweden is not feasible.

My answer is that NATO is probably not capable of making such a different and fateful decision so quickly--and they are able to figure that out in Moscow as well.

Am I right?

11949
CSO: 3650/142

MILITARY DENMARK

OFFICER DRAIN SEEN SPREADING FROM AIR FORCE TO ALL SERVICES

Officers Association Issues Warning

Copenhagen AKTUELT in Danish 21 Feb 86 p 5

[Article by Peter Bergen]

[Text] Copenhagen--"If the Defense Ministry continues to ignore the pilot problem, there will soon be a terrible shortage of qualified officers in all areas."

This was stated by Commander Per Moller, member of the Executive Committee of the Central Organization of Officers (HOA).

Last year there was a threefold jump in the loss of officers, who found better jobs in private business and the rush to the exit continues. Changing jobs gives officers better wages, often resulting in an increase of 50 percent or more. This does not include the fringe benefits that often accompany a job in management. In addition, the ex-officers no longer need to move as frequently.

Growing Discontent

"The low wages are bearable, if you like your job," Per Moller said. "But conditions in the military are such that there is growing discontent. More and more officers are becoming dissatisfied and are looking for a better job in business. They go--and apparently they are not disappointed. Only 10 percent of those who are given a leave of absence without pay return to the military.

In most cases, a combination of many conditions convinces the officer to exchange his uniform for civilian work clothes. This was shown by the responses of 80 officers to the Defense Center for Leadership (FCL), which has distributed a report on the officer drain.

In addition to wages, which are becoming more and more important, the costs involved in moving are considered to be an important factor by the officers.

Haphazard Planning

They also complain that they have little influence in their own work. Military planning is seen as haphazard--it changes or it is totally absent. Poor planning or an absence of planning also troubles other personnel groups in the military and an absence of planning has been pointed out as a problem by contemporary historian Prof Nikolaj Petersen of Arhus University.

"The message is clear enough," Per Moller said. "Wages must be increased and improvements must be made in many areas, particularly personnel planning and transfers. Political stability is also high on the officers' wish list."

Officers whose training can be used immediately by civilian companies, such as pilots, technicians, and navigators, are leaving the military in the greatest numbers. This means undermanning and problems keeping our ships and planes moving. But officers with more general training are leaving and there is a shortage of staff officers.

Waste Of Resources

The officer drain is a terrible waste of resources. Typically, an officer leaves when he is 35 years old, i.e. when he is of the age, training, and experience that would allow him to do the most satisfactory job. The problem is exacerbated because, even though there is a greater will among young people to defend the country, officer training schools cannot be filled with qualified students.

"It is no longer enough for a young man to become an officer," Per Moller said. "It is no longer a calling. He demands a decent wage and decent working conditions."

Civilian Pilots Call-Up Possible

Copenhagen INFORMATION in Danish 20 Feb 86 p 16

[Article: "Air Force Wants to Call Up Civilian Pilots"]

[Text] As early as next year the pilot drain from the military will be so serious that there will no longer be a pilot for every fighter plane. This will reduce our level of preparedness. Consequently, it may become necessary to issue a call-up or stand-by order for pilots who have recently left the military and have taken employment with civilian airlines, the Defense Ministry wrote in a note to the Defense Committee of parliament.

In the near future, the Defense Staff will develop a proposal for such an order.

Captain Carsten Dalgaard Jensen of the Military Pilots' Association said that the plan for a call-up order was not carefully thought out, nor would it solve the crisis caused by the pilot drain.

The association recently indicated that pilots who had handed in their resignation would withdraw them if Defense Minister Hans Engell (Conservative Party) would participate in serious negotiations.

9336
CSO: 3613/77

GIRAUD VIEWS MITTERRAND'S DEFENSE POLICIES

Paris LE MONDE in French 12 Feb 86 p 2

[Article by Andre Giraud, former minister: "Yes to the Major Orientations, No to Their Implementation"]

[Text] The path of cohabitation on defense is not a dead end provided we raise the level of our armed forces, both nuclear and traditional.

After taking part in defense council meetings for 11 years, and considering that I have some understanding of technology, I felt challenged by president Mitterrand's sentence at the beginning of the text he just devoted to French foreign policy and defense: "In brief, I am interested in what my contradictors have to say, when they mean what they say."

I shall not pick out the few passages that might give rise to polemics: to say that 1981 marked the date when our country's interest in high technology and advanced industries started is downright ludicrous, and joining in the election campaign by writing that "thanks to the administration of the Mauroy and Fabius governments, which is beginning to bear fruit, France is getting rid of its old complexes and getting used to the belief that it can win" sadly mars an otherwise lofty text.

The subject of French defense is a serious one in two respects: in itself, and because it is probably the most important of all subjects based on which a possible coexistence between the president and a future opposition government will be decided.

Let's rejoice that Francois Mitterrand is giving expression to a perfectly de Gaullian overall concept: Atlantic alliance, balance of forces in the world and in Europe, French deterrent strategy, "which, for our country, is still the best way if not to win the war at least not to have to make war," absolute determination not to let anyone intimidate us, concerning either nuclear tests or our arms development.

Although we may find fault--I shall come back to that later--with the attitude adopted toward the United States in the case of the SDI, the analysis that is made of this concept is beyond reproach, both in the technical considerations underlying it and in the judgments that are made of its foreseeable military and political impact: "The SDI will remain a factor of destabilization for an indefinite time." It will strenghthen neither French nor European security.

Finally, the third interesting facet of the work has to do with the link between defense and the construction of Europe, a subject on which, once again, Francois Mitterrand finds himself in perfect continuity with his predecessors. "The idea of Europe is indissociable from the idea of defense. But, for the time being, there is no defense but the Atlantic defense." He refers explicitly to the French-German treaty of 1963 signed by Charles de Gaulle and Konrad Adenauer, which constitutes "the only existing embryo of a joint European defense": the German pacifism and neutralism reflect "the will of a people who refuses to be an object-people." We must therefore promote French-German cooperation in the field of defense.

Thus, there could be considerable convergence on the major conceptual orientations of our defense. Alas! the same is not true of implementation. The president of the Republic's adhesion to sound defense concepts and even his personal intellectual contribution should under no circumstances be used as a smokescreen to hide the inadequacies, to say the least, of the socialist record, which it is urgent to remedy.

1. It is not accurate to say that our policy is satisfactory, even in the field of strategic determent, which is acknowledged to be fundamental. Contrary to the Americans, we do not have a land-based or airborne second strike force capacity. The interruption of the SX program, which was to provide us with a second mobile strategic component, is an extremely dangerous poker move. It assumes that our submarines will remain impossible to detect for many years to come, but technical progress makes that doubtful. This is what the budget cuts made to offset liberalities and waste have brought us. Similarly, it will have taken 12 to 15 years (assuming everything goes well) to build the seventh submarine which, in spite of what they are saying, had been decided before 1981. Military observation satellites whose development had begun in our time should be about ready to be launched.

Eureka, the Wrong Track

2. The French reaction to the SDI was uselessly aggressive toward our allies and turned into the wrong track, Eureka. The book reminds us that, already in 1984, we proposed to amend the treaty on the denuclearization of space by extending the ban to cover all "Star Wars" type weapons, and for a renewable 5-year period, which was all at once useless--since there will be no such weapons for the next 5 years--hostile to our allies, doomed to diplomatic failure, and finally impracticable because unverifiable. Also, why prevent our companies from working on Pentagon-financed research contracts if they deem it profitable? After clearly expressing our disagreement without being aggressive, we could on the contrary have done what we did in the nuclear field, we could have gone our own way and, when the time had come, we could have cashed on the positions we would have developed.

3. Starting what is now called Eureka was inappropriate. The president puts forward the (pertinent) idea that "technological uncoupling between Europe and America would be no less serious than military uncoupling." "Technological

uncoupling" is expressive but vague. Shall we finally find in this book a way of knowing what Eureka is all about? "A central project around which industrial combines would be set up in a wide variety of fields." All right, but what kind of a project? As for me, I am very suspicious; Euratom was born of a similar inspiration and it turned into a huge and costly failure, but these things become apparent only after a few years. In both cases, we find ill-defined actions based on a general idea that is valid, but without any actual definition of the goal.

4. In addition to the continuous adaptation of our system, the actual reaction to the SDI should have been--and the president's analysis itself should have led to that conclusion--to try and progress both toward making good use of the French tactical nuclear weapons and toward building up a European defense system. In this respect, we must recognize that dearth prevails. The Hades program is dragging along, without any valid utilization concept. As for the neutron weapon, what the president says is that he will order its implementation "if it is proven that no negotiation on disarmament is successful," but nothing is said about its use. Concerning French forces in Germany the book contains only negative comments: "It is excluded that we should play a part in this system." "I cannot imagine that our troops would camp in the FRG as they do today and, on the first alert, would turn about and go home." The president believes that if a European conflict should start it would be impossible to avoid the use of nuclear weapons. He rejects the idea of extending the French strategic umbrella to cover Germany--and he may be right. He has the insight to point out that "since the European imbalance is essentially in traditional and chemical weapons, it would be logical to start there." But this is just an appeal to the public at large, with no practical effect.

In brief, nothing is done, or about to be done, although the problem is well defined: to deter traditional forces superior in number from attacking, possibly with chemical weapons. Now, it so happens that we possess the neutron weapon which is a theater-of-operation weapon capable of making up for NATO's inferior numbers and thus to deter any would-be aggressor. The conditions of its use, the definition of weapon systems and their handling could help materialize the French-German military dialogue which has recently suffered the failure of the combat tank and the European aircraft.

5. Finally, not a word is said to relieve the malaise affecting the army. Several brilliant senior officers have shown their concern by resigning or taking courageous stands. Officers were especially grateful to Charles Hernu for sparing them the worst of the socialist program, but they were fully aware of the deterioration of our defense system. These men, who chose and ideal and do not haggle when it comes to making sacrifices, want at least to understand what good these sacrifices will do.

Concerning the vast problem of European defense, they are fully aware that the government does not have a clear policy. Each of them thus finds his equipment and his troops inadequate to guard against all contingencies. In certain respects, it is indeed not an exaggeration to say that strategic determent would be another Maginot line if it were not accompanied by an effective doctrine of action during the preliminary stages of tension or even

European conflict; the equivalent of what a doctrine of utilization of armored divisions might have been in 1939.

In concluding this analysis, we may wonder whether the prerequisites for cohabitation are met. Let us say that, considering that there is adequate convergence on major orientations, it is not on the essential subject of defense that the path of cohabitation is a dead end. One prerequisite seems therefore to be fulfilled. However, an essential question remains unanswered: that of relations between the president and the prime minister in implementing a far more dynamic policy, a policy determined to raise the level of our armed forces, both nuclear and traditional, and to progress toward the actual construction of Europe. The answer to this question will be known only after the elections, and it will depend on their outcome.

9294
CSO: 3519/145

WOMEN'S GROUPS LOBBY FOR LARGER FEMALE ROLE IN ARMED FORCES

Oslo AFTENPOSTEN in Norwegian 8 Mar 86 p 2

[Op Ed Article by Grethe Vaernø, Conservative Party MP, Oslo: "Armed Forces for Women and Men"]

[Text] It is Women's Day. The balance sheet is to be drawn up after the International Women's Decade--what we have gained in terms of equality, women's participation in the development process, and women's contributions in political life and in promoting peace in the world.

Equality in the armed forces is a subject which will possibly be omitted when the arithmetic is done, in spite of the fact that a real little revolution has taken place here in the last 10 years. Women have gone from close to the zero point to full equality on paper--with equal rights for jobs and training and the right to take on compulsory military service via first-time service.

Remarkable

An increase from under 7 percent to around 35 percent women in political life in under 20 years is almost unbelievable progress. Progress in the armed forces, the most hardened "male environment" we can imagine, is still more remarkable, especially when we think of how little pressure there has been from those activists who usually stand at the barricades against obsolete sex roles. On the contrary, it has often been the case that those women who have desired work and training in the armed forces have been opposed by their sisters as an element of the campaign against all armed forces--to the extent that they have attacked "women's solidarity."

Women's Voluntary Readiness, which has the job of informing about overall armed forces questions and of inciting women and their organizations to a contribution, is permanently represented in the Armed Forces Women's Council. In this council, which is constituted by, among others, the armed forces women supervisors and the ministry's equality adviser, questions come up which show that there is a long way to go until the system is an "equal rights" one.

Something to Slave Away At?

Is this, then, something to slave away at, ask many with very different points of reference?

The armed forces opponents dislike women's gaining a stronger association with the armed forces and thereby forming a counterbalance against their attempts to recruit women for an anti-armed-forces "peace movement."

Equality purists can think it is futile to strive for equality when in reality a fundamental inequality exists: It is impossible to create fair equal treatment for those persons who, on the one hand, have no choice, and, on the other hand, persons who can choose freely for themselves after a private assessment of advantages and disadvantages.

Equality pessimists can fear that this "little difference" will prove to be very big when the two sexes are to function together under very special circumstances in peace and extreme conditions in a possible war. They will in any case make haste slowly.

Some politicians, from bottom to top, have without enthusiasm or direct opposition given into the equality wave with loud concern over how it would go.

Man's Job?

A large number--perhaps a majority of men (and women?) in and outside the armed forces--are inwardly convinced that the armed forces are and ought to be a "man's job." Some are angered over the fact that women have "forced themselves in"; some react with "benevolent opposition," while many allow themselves to be persuaded by or in any case loyally accept the political decisions.

Women--and some men--who have seen things in another light have stood against this army of opponents.

Some have thought of women. Equality work has largely speaking been based on breaking down sex roles, eliminating discrimination and showing that women "can." The armed forces are in an equal position here with other man's jobs. At the same time the armed forces are in a way male society's last and strongest entrenchment. If we do not manage to get equality to work here, it will pull the bottom out from under the equality philosophy which has been prevailing.

Greater Breadth

Others have thought of the armed forces, of getting a broader and broader recruiting basis, of ensuring an influx from critical occupations, and of filling up when the classes shrink. A mixed environment as much as possible like the civilian society everyone comes from and goes to is seen as positive by many, too. These views will gradually gain ground as it is shown that the objections are put to shame.

What ought to have the most uniting effect both for women and men who believe that interest in defense and a defense capacity are totally decisive for the country's future is all the same the "political" influence. Today women constitute a third of all those who must make the political decisions regarding our defense and security policy, too. What do they know about the armed forces? What relationship do they have to them? Regardless of the discussion regarding compulsory military service, armed forces which are open to women in an equal and co-responsible manner will signal outwardly that this is men's and women's common issue. It is men's and women's common contribution to peace for a small country. It is for this reason that we are slaving away.

8831
CSO: 3639/88

STUDY CONFIRMS INCREASING SOVIET INTEREST IN NORWEGIAN SEA

Oslo AFTENPOSTEN in Norwegian 11 Mar 86 p 5

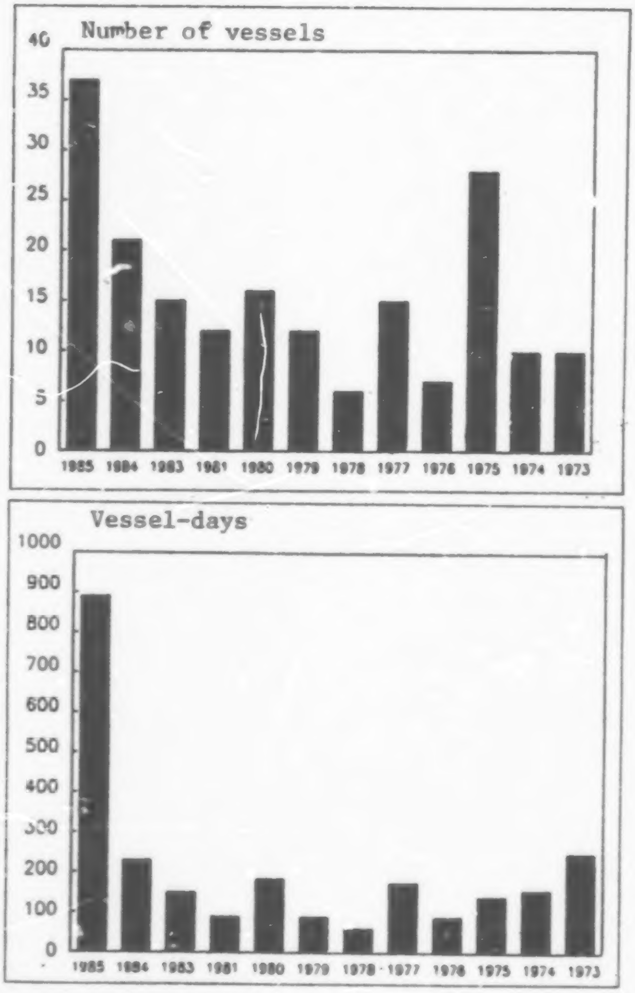
[Commentary by Liv Hegna: "Norwegian Sea and Security: Fear of Facts"]

[Text] Data which the armed forces are now releasing demonstrate in no uncertain manner that the Norwegian Sea is on the point of becoming a Soviet naval empire. Without parallel, the Soviet naval summer exercise in 1985 was the biggest of the times in these waters. In the meantime, the military, politicians and researchers are vying to produce the most possible different arguments for increased American presence in the north. The Labor Party's politicians are responding by reviving the old fear that allied vessels are carrying nuclear weapons when they visit Norwegian ports.

With this, it may be able to be asserted that Labor Party politicians are turning the issue upside down: The approach to the problem can no longer be to place the most possible obstacles in the way of Western attempts to maintain the waters north and west of Norway as international. The point must now be to win for Norway the greatest influence over further developments in these areas.

Perhaps there are individual political circles who have exaggerated notions to the effect that Norway contributes best to low tension in the north through strong reserve, and that we look after our own interests best by pursuing what NATO Secretary General Lord Peter Carrington a few days ago called Norway's "a la carte" policy in the NATO context. Carrington answered a question whether Norway's base policy and nuclear weapons policy are compatible with the alliance's more recent way of thinking and how the Soviet challenge in the north is to be met.

Because of fishing regulations, the time is long past when British naval vessels sailed in the Barents Sea. The standing Atlantic force (STANAVFORLANT) normally does not cross 24 degrees east longitude when it is on its annual visit in North Norway. The Germans have built up an ocean-going naval fleet primarily with antisubmarine duties, since the air protection which aircraft carriers can provide is lacking. The French are taking part in NATO exercises at sea, but they too far north only as an exception.



Growth in Soviet Naval Exercises. The top chart shows the number of surface combat vessels taking part, and the bottom, vessel-days. Until the Soviet Summerex 1985, the OKEAN exercise in 1975 was the biggest as far as the number of vessels taking part is concerned. If the number of surface vessels in Soviet exercises in the Norwegian Sea is multiplied by days at sea, completely different results are seen: Summerex 1985 was four times as big as OKEAN. The charts were prepared by the armed forces.

Thirty-Three Days

American aircraft carrier groups have been in Norwegian waters for 13 days over the last 10 years. What was submitted as a new naval strategy during the Ocean Safari exercise in 1985 was that the aircraft carrier the USS America sailed into Norwegian fjords to look for the protection Norway's geography can provide. That the Soviet naval exercise the same year exercised for the first time in aircraft carrier group operations and combating them is interpreted by Norwegian military men as an indication of the fact that the Russians over the last few years have trained for complex operations at sea with antiaircraft defense, antisubmarine operations and warfare against surface vessels. It is presumed that the level in terms of command/control has been raised to a considerably higher one after the Soviet Summerex 1985.

Editor Frank Bjerkholt writes in the last issue of NORSK MILITAERT TIDSSKRIFT [NORWEGIAN MILITARY JOURNAL] that the submarine violations in Swedish waters have the purpose of accustoming the Swedes to the situation, and he concludes by saying that the Soviet Union thinks that Sweden should come to terms with this activity and acknowledge the superior Soviet interests in the Baltic region. Can Bjerkholt's point of view be transferred to Norway and the situation in the Norwegian Sea? The answer is probably no for the time being, but no one knows what the future will show.

Norwegian Assistance

The low tension in the north will not be retained by creating doubt regarding the allied will to prevent the Soviet Union from acquiring a "title" to presence in the region through a systematic exercise program. To what extent the answer is the permanent presence of American forces or more frequent allied exercises in the area can be discussed. Under both circumstances the precondition will be that Norway makes repair facility capacity available.

The only drydock in the northern part of our country is in Harstad. It, for that matter, cannot accept vessels much larger than our own frigates and coast guard vessels. There is no base possibility in North Norway for advanced warships. There is some repair facility capacity in South Norway, but the more advanced electronic components on board American vessels will certainly be attended to by the crews themselves.

If we are to exert an influence on developments and see to it that Norwegian politicians maintain control over what happens outside our front door, it is important that a stand be taken on the question of the development of repair facility capacities for foreign vessels. Through the chain of command within NATO with the supreme commanders in each part of the country as top leaders, there is no danger that our national control over this apparatus will slip out of our hands. All allied military plans are approved by Norwegian politicians, and during war time a Norwegian politician has been designated as the government's own representative at the North Command at Kolsås.

Allied fleets in the Norwegian Sea will require Norwegian assistance. The more actively politicians can assist here, the stronger our influence will be. It seems a matter of course that the commanders of land-based facilities at any time should be Norwegian. The solution which was chosen for the AWACS planes in Ørland can serve as a model also for naval forces: Only individual technical specialists are foreigners. The rest of the people are Norwegian in their entirety. The political realities residing in the Soviet naval buildup in the north are being met with active cooperation within the alliance. Recent political remarks regarding a "New-Zealandizing" of Norway are /not/ [in italics] the result of a consciousness of our own importance in the teamwork in NATO.

8831
CSO: 3639/88

MILITARY PORTUGAL

DEFENSE SEEN AS DEPENDENT ON NATIONAL EFFORT

Lisbon DIARIO DE NOTICIAS in Portuguese 11 Mar 86 p 7

[Article by Virgilio de Carvalho: "New Scenarios, New Risks, New Strategies"]

[Text] The new course of Moscow's discourse is beginning to be clear. As quoted in an article in THE INTERNATIONAL HERALD TRIBUNE on 25 February 1986, the Soviet ambassador in Washington spoke of a "joint era" for the superpowers, because they are fated to coexist if they are to avoid plunging together into a nuclear holocaust. He proposes reducing the risk of a nuclear confrontation in Europe, where it looms most acutely, by eliminating the American and Soviet Euromissiles, on condition that this is not utilized to justify an escalation in the race for superiority in other weaponry, and he suggested that "starpeace" replace "starwars." Mr Gorbachev said practically the same thing at the 27th Congress of the CPU, but in different fashion, defining development, which he termed the key to all the problems of the USSR, as the main goal of the new Soviet leadership. Thus the American advances in the realm of the "militarization of space" and conventional weaponry, and the problems which keeping up with the technological advances of the U.S. would pose in terms of the strengthening of the economy, seem still to be the main concerns of Moscow.

The "Gorbachev Era" and the West

The Western Europeans have reacted to the new line of argument from Moscow by voicing their fear of being blackmailed by the USSR if the United States withdraws its missiles from Europe, as a result of their inferior strength in conventional weaponry. And the Reagan administration has fought to prevent cuts in the defense budget it has proposed, arguing that it was the costly American technological challenge which led Moscow to return to the table at Geneva and to change its line of discourse. It must be added that the Soviet arguments still reveal the desire to apply detente to Europe alone, which, as we know, could be "Finlandized" through the exploitation of its high level of dependence on foreign sources for energy products and strategic ores. This means that there is no guarantee yet of any change in the intention of the USSR to destroy the geopolitical balance of the world to its own advantage, by separating Europe from the United States, or any guarantee that we are not seeing instead a new strategy for strengthening the Soviet capacity to dig more efficiently in the sand around its base in Europe, by winning over the public and exploiting targets of opportunity in the regions where its dependence is greatest.

The End of the EEC Veto

The elimination of the rule calling for unanimity in the EEC seems likely to deprive the small powers of any possibility of recourse to the veto to defend their vital interests. Thus it will be urgently necessary for Portugal to recognize these interests and to formulate its main strategy to safeguard them, particularly where agreements with partners based on mutual convenience are concerned, since it is not certain that we will not end up with a "Europe of the fatherlands." Since there can be no doubt that it is in the vital interest of Portugal to maintain its individuality on the peninsula, and that this is the result of its Euro-Atlantic geopolitical position and the almost archipelagic location of the country, it seems that it will be essential to maintain the cohesion of the archipelagoes and the continent and to benefit from the continental coast and the maritime territory as privileged sources of our identity, development and freedom of action; to avoid Iberian and Ibero-American strategies; to persevere in the historically privileged relationships with the maritime countries in Northern Europe, with the Maritime Power, with the Portuguese-speaking community and with countries outside Europe with an interest in Portugal as a member of the EEC; and to compensate for the political need for regionalization through the centralization and coordination of strategic activities such as foreign relations (diplomatic, economic and cultural), defense, education and foreign transport, in order to guarantee action as a bloc in dealing with foreign issues.

The United States, Spain and Portugal

Portugal has parcels of territory in areas which have been regarded as of strategic interest by the United States (Azores) and Spain (Madeira and the continent), to judge from the defense plans of both these nations. And there is always the risk that an effort will be made to turn Spain into a kind of guardian of NATO's Ibero-Atlantic area, which lies in Portugal's geostrategic space, on the pretext that the Portuguese military vacuum makes Portuguese-Spanish military cooperation therein desirable. And this risk might increase in the event of a future withdrawal of its military contingent from Europe by the United States, following the development of conventional weapons justifying the abandonment of nuclear weapons intended to deter the Warsaw Pact countries from invading Europe. The fact is that this possibility could increase the importance of the peripheral areas around Great Britain and the Ibero-Atlantic region, as the remaining pillars in a new concept of Atlantic defense, thus increasing the dangers of shared responsibility by the United States and Spain for the defense of the Portuguese geostrategic space.

Apart from the important issues of deterrence and containment of Warsaw Pact aggression, which are the basic goals of NATO, it is further necessary to take into account the "wars" on the issues of European autonomy and assertion in relation to the United States within the Atlantic Alliance, as well as by some of the European partners in it. It is mainly within this last context, involving sovereignty and negotiating capacity among allies, and not the framework of a hypothetical military invasion by Spain, that those who want to demonstrate that certain military resources are not necessary, on the basis of their frightening cost, and that the need for certain numbers and types thereof also needs to be discussed, situate their arguments.

Portugal has established priority concerns having to do with development. But this does not mean that a rearmament plan cannot be discussed and approved in the parliament, reflecting a determination to assume the responsibilities inherent in the size of its territory and the exclusive use of it. A first phase in such a plan should take into simultaneous accounts the minimal needs dictated by national sovereignty and those related to allied defense of its space. Otherwise, it is hard to see how technological and financial aid could be attracted to the country. This aid might be channeled to Spain, on the assumption that it can be trusted to assume the responsibilities for collective defense which should fall to Portugal. This would increase the risk of lack of cohesion and of a subordinate role for the country in its own geostrategic space.

Portugal cannot be compared to a country like Japan, which was able to develop while poorly armed, in the shadow of U.S. military protection, without risk to its individuality. If the people of Portugal entrust their defense entirely to their allies, the country would run the risk of being divided, and becoming a kind of satellite of Spain, which seems interested in penetrating the space in which Portugal asserts its rights, not only geostrategic (ZEE and Iberlant), but also in the Portuguese-speaking community, and again in the privileged relationship with the Maritime Power, thanks to the bilateral defense treaty with the United States, which will continue, whether or not it remains in NATO.

5157
CSO:3542/74

ARMED FORCES CHIEF DESIGNATE ON BUDGET, PROCUREMENT ISSUES

Stockholm SVENSKA DAGBLADET in Swedish 3 Mar 86 p 3

[Op Ed Article by Lieutenant General Bengt Gustafsson, supreme commander designate of the Armed Forces: "What if 25 Billion Were Invested Wrongly?"; first paragraph is SVENSKA DAGBLADET introduction]

[Text] Bengt Gustafsson is a lieutenant general and will become the new OB [supreme commander of the Armed Forces] on 1 October.

The debate that flares up now and then concerning the balance between quality and quantity in the Armed Forces calls for a few comments.

Military technology is developing very rapidly. At the moment, the pace is accelerating in the struggle between weapons and countermeasures, chiefly through developments in the field of electronics. It is becoming increasingly difficult to foresee the outcome of duels between different weapon systems. The wrong choice of technology or poor tactical application can have far-reaching consequences. One example of this was Israel's quick neutralization of Syrian air defenses in the Lebanese War.

In our country, decisions concerning the development and procurement of defense materiel as well as the choice of technical aspiration levels in connection with weapon systems are reached following very serious preparatory work. There are few countries where cooperation is as well developed as it is here among tacticians in the various service branches, the Defense Research Institute's operations analysts and researchers, and technicians from the Defense Materiel Administration and industry. As a rule, that cooperation results in competent studies on which to base a decision.

Conditions are therefore good for the weapon system studies that are part of the work of prospective planning and program planning now being done in preparation for Parliament's defense decisions. But in view of the complexity of the issues involved, there may be reason to explain the resources and methods used in connection with that activity.

Ability To Use Technology

In my opinion, we have our greatest difficulties when it comes to making a correct assessment of people's ability to use technology and of the influence of tactics on the outcome of a battle, not to mention the ability to command, which is the crucial factor in many situations. The work to prepare data for materiel development certainly includes tactical studies and practical trials in a combat situation, but often not to the extent justified by the degree of difficulty involved.

The danger exists that development of the Armed Forces is governed too much by what is most easily observable--that is, the technical factors, which it is easier to simulate using mathematical models.

Our tactics are also evaluated in connection with the exercises that are held. The military exercises that have been resumed in recent years have made it possible also to test the weapon systems in actual operation. But those exercises are not set up specifically with technical-tactical evaluations in mind. Their primary purpose must be that of training.

A thoroughgoing technical-tactical evaluation must be carried out during an exercise clearly restricted to that specific purpose, and enough funds must be available for recording what happens and making the evaluation. Those conditions have, among other things, been elucidated by the National Accounting and Audit Bureau.

No Certain Outcome

Over the past 2 years, a type of exercise known as FOCUS has been conducted for the above-mentioned purpose under the command of CE-1 (Attack Command). Those exercises involve large-scale testing of the technology, tactics, and combat techniques of our reconnaissance and strike aircraft against our antiaircraft defenses and vice versa. In the heat of the battle, some representatives of the service branches felt that their preconceived ideas were being confirmed, but what the necessarily time-consuming evaluation confirmed more than anything else was the fact that the human factor and tactics have a great influence on the final outcome.

We now have valuable data on which to base not only the further development of tactics and combat techniques in both those areas, but also, and especially, the necessary gradual technical modernization of our weapon systems.

Similar but more deliberate verification in practice could be arranged for other weapon systems and for the purpose of comparing the results of various tactical deployments.

Many participants in the debate today see the obvious--for example, the increased vulnerability of naval forces and the infantry to modern air forces--but not the countermeasures--in terms of tactical development, for example--that are being implemented at the same time. The outcome of a serious evaluation of action against a mechanized opponent by an infantry brigade 77 using advanced delaying fieldworks in typical Swedish terrain and supported by aircraft is probably not as certain as some participants in the debate believe.

We Must Be Able To Afford it

It is clear that a more general introduction of such practical verifications is associated with new costs, especially since, in some cases, we may need to come up with technical testing devices that do not exist in our own organization. But the question is whether we can afford not to do so.

As someone said, what if 25 billion kronor per year were being spent on the wrong defense deployments? The greater complexity of technology and of the interplay between technology and tactics justifies greater efforts, as do the doubts concerning the current balance between the two that have recently appeared both in and out of the Armed Forces. This brings me to the question of how decisions concerning that balance should be reached.

Somewhere, a decision must be reached on the balance between the various weapon systems and between quality and quantity. That weighing out requires competence in many areas: operational conditions and those related to security policy, military technology, and finances, but also in the areas of tactics and combat technique as well as that of production conditions for the various weapon systems. My contention is that competence is hardest to acquire when it comes to understanding the interplay between technology and tactics within and among the various weapon systems and the human factor.

Evaluating Possibilities

The structure of an all-inclusive Military Council therefore provides the best chance for breadth and depth in competence, as does the special research organization that cuts across the lines dividing weapon systems in the line organization. That research organization includes not only officers with lengthy line experience but also specialists in operations analysis, military engineering, finance, and production.

Based on the preceding discussion, however, the research organization should be rounded out by the addition of a special group for evaluating weapon systems already in service. This would make experience available for the tactical development and modernization of weapon systems, and it would also provide feedback for the research organization. Such a step ought to improve the conditions for evaluating tactical possibilities in the future development of the Armed Forces more accurately than is now the case.

It should be possible to provide more measurable results concerning the interplay between technology and tactics for skeptics both in and out of the Armed Forces. And--in both the worst and the best case--mistakes in spending will also be discovered.

Especially heavy demands will be placed on military "generalists," who are responsible for heading up the work, compiling the final evaluation of research results, and checking them out in practice. They must be able to evaluate the material as it is produced by various specialists and to combine it into an overall view covering all aspects.

Special pains must be taken to prepare them for that difficult task. Some of them are therefore assigned to take short international management courses or to gain practical experience in business and industry.

But the complexity of technology and of the interplay between technology and a human organization is not unique to the Armed Forces. The approach represented by operations analysis is common property in a modern industrial society and in the technology departments of universities.

It should be possible to develop special courses for our generalists at one or the other of our universities, where they could cooperate more systematically with university researchers and representatives of other sectors of society in developing their ability to produce data on which to base decisions concerning a complicated operational, technical, and financial system.

Eliminating a Breeding Ground

If that helped to increase the university world's interest in questions concerned with security policy, defense policy, and military engineering, perhaps--as is true in other countries--we would be able to increase exchanges of personnel and flows of information among the established ministries, government authorities, Armed Forces schools, research and other institutes, and the university world. We all need mutual stimulation in combating rigid forms.

More openness between the foreign policy establishment, the Armed Forces, and the universities would probably also eliminate the breeding ground for some preconceived ideas.

11798
CSO: 3650/157

URGENT REFORMS SEEN NEEDED IN RECRUIT TRAINING

Stockholm SVENSKA DAGBLADET in Swedish 7 Mar 86 p 3

[Op Ed Article by Gunnar Petri, director general of the Defense Modernization Institute: "It Is not Possible To Wait Until 1992"]

[Text] The countdown to the 1987 defense decision has begun. The OB [supreme commander of the Armed Forces] has spoken his mind in the OB-85 report, and the Defense Committee has talked about what it wants cleared up before the final stands are taken this fall.

One might therefore think that everything is fine and that the politicians have only to determine budget and policy on the basis of balanced data. The thesis of this article is that such is not the case in one essential respect.

Materiel Only

Producing wartime organization units requires procurement of weapons and other equipment as well as investments in the form of training and exercises for conscripts and officers. From the standpoint of cost, those two components are about equal in weight. But the additional money called for at higher levels in OB-85 will go almost entirely to materiel. Human investment is practically unchanged at the various levels, not only in orientation but also in scope.

But why is it so important now to also begin discussing that aspect of the question in a less biased way?

One of OB-85's merits is that it describes some of the shortcomings in today's organization with considerable frankness. Considering what a sensitive matter it is for the Military Council to critique its own activity--keeping in mind both internal morale and external reactions--one can say that the signals are quite clear. It is stated quite frankly that some of our most important units have not received adequate joint training and that they are not always combat ready immediately after mobilization.

Attack Difficult

The arms buildup and improvements in the quality of units in the world around us are eloquently described in OB-85, and it is clearly stated that our priority units must be able, as the report puts it, to meet, check, and defeat even a potential opponent's most modern and best trained units and to do so immediately after mobilization. And naturally, this has basic significance from the standpoint of our neutrality policy. Our organization must be regarded as being in a position to repel attacks by taking the offensive, not just as being capable of delaying an advance pending the arrival of help.

Besides those signals in OB-85, there are also other signs indicating that we must also beef up our most important wartime organization units in terms of personnel, including both conscripts and officers. As one example, evaluations of the major defense exercises point in that direction.

It is not an easy task to lead and carry out offensive operations against the Army divisions of the big powers. It is important that we have materiel for that mission. But it is equally important that we have militia-based soldiers and officers who can do the job. And in that area, no priorities are planned.

So what is the situation with the system we have today and the one we will also have, according to OB-85, at the turn of the century?

Entire Annual Contingent

Let us confine our argument to the Army. Under the current system in the Army, the idea is that the entire annual contingent is to be trained for assignment to the so-called field units--that is, 20 modern brigades, from 6 to 8 brigades with older equipment, and support units.

In principle--that is, when there is enough money--conscripts and officers have the opportunity during one or two refresher courses to function as a single wartime organization unit. Generally after 12 years, conscripts are transferred to local units, which therefore consist of soldiers between the ages of 32 and 47. In connection with that transfer of personnel from the field units to local defense units, there is usually another refresher course, and there may be still another course some time later.

Another way of saying it is that every year we spend about the same amount on the same training for the Army's entire annual draft contingent. After that, as part of the wartime organization, they are assigned directly to field units, with some going to priority brigades and others to brigades with lower priority. All soldiers eventually wind up in local defense units.

Demands of the Future

That system has obvious merit. We get younger soldiers for the wartime organization's more demanding duties and older soldiers for more stationary combat duties. The system is easy to understand and well established. It makes no distinction among conscripts except as regards officer and NCO selection and the slightly varying content of the training required for the various branches of service.

There is reason to wonder, however, whether that system corresponds to the demands of the future. As far as materiel is concerned, we long ago began to assign higher priority to certain types of brigades, and it is completely clear that we are going to be forced to do so to an even greater extent in the future, regardless of economic level. But from the standpoint of personnel, we are still living in a world where an entire annual contingent is treated exactly the same.

Career officers must be given a real chance to learn to command those advanced units in the right way, and the conscripts in those units must be given such capability that they will be able to participate in offensive operations as soon as they are mobilized. We know that our conceivable opponents have greatly increased their ability to launch attacks on us quickly using advanced units. We also calculate that the danger of our being drawn into a conflict right at the start has increased. The demands on us have increased.

Increased Demands

At the same time, demands on the local defense units are also changing. The threat of sabotage, diversionary units, and airborne landings presumably makes it necessary to shorten mobilization times. Familiarity with one's locality and proximity to the staging area will become more important.

In short, one can say that in the training and exercises provided for officers and soldiers in the priority brigades, there must be a greater emphasis on developing a capability for leadership and coordinated action. This is necessary--and it requires a great deal in the way of resources. At the same time, a different type of intensification in training exercises for the local defense units is also required.

Alternative Models

One possibility might be to abandon the idea of training all of the Army's conscripts for immediate duty in the field units and to decide instead to train some for duties in the priority brigades and others for brigades with less priority or for duties related to local defense.

Refresher courses could then be concentrated on substantial unit exercises for the priority brigades, with smaller but more frequent exercises for the local defense units. This model could be varied in several ways.

Another possibility might be to train all of the Army's conscripts for the priority brigades but to shorten the time during which they are assigned to those brigades as part of the wartime organization. In that way, the efforts of conscripts would be concentrated on the time during which they are assigned to genuinely skilled tasks in the wartime units, and the average age of those in the priority brigades would be lower.

Politically Impossible

Perhaps a lengthening or redistribution of the period of service for some of the Army's conscripts following the pattern in the Navy could be discussed. Other variations also exist.

The important thing is, however, that the discussion be based on the demands placed by modern warfare on our units and our soldiers.

When the question of how to approach instruction and training activities in the Army is brought up, the natural reflex is to link it with the peacetime organization and, as a result, the shutting down of units. That problem is also touched on--although rather lightly--in OB-85.

It says that after 1992, when the number of young men reaching draft age will decline quite substantially, an adjustment in the number of military establishments will be made. And it should be noted that the drop in the number of draft-age men will then be such that what we are talking about is the elimination within just a few years of five or six medium-sized regiments. This is in reality a cardinal issue: such an extensive slaughter of regiments within a year or so or more is in fact impossible both objectively and, as they say, politically.

Workable Idea

Variations in the size of the draft-age contingent alone will not make any major changes in the peacetime organization necessary during the coming 5-year period. It is gratifying that this was noted in a recent government decision which also suggested the possibility of an interim decision concerning the peacetime organization after the 1987 defense decision but before 1992.

It is wrong, however, to view the whole thing simply as a matter of adjusting to changing birth rates. The question is how we are going to get the proper return from the tremendous investment in training and instruction activity.

A workable idea for doing so is lacking at present. So far, the military have not come up with a usable basis for a policy decision in 1987. Nor have the Defense Committee and the government shown any desire to ask for alternatives whose main thrust would be different from the current one.

It therefore looks as though the 1987 defense decision will have to be reached without any real discussion or even basic information on those questions. It is simply becoming too late, and the debate will therefore be concerned with the various increases for equipment procurement that are provided within the various budget limits.

Train Is Leaving

And the train leaves in 1987. All experience seems to show that it is not possible to effect any major changes in direction except in the context of previous defense decisions. This means that in the runup to the 1992 defense decision, we will have gotten ourselves into a situation involving almost insuperable demands for structural changes and one in which training and instruction activity will still not provide us with units of effective and jointly trained personnel until close to the turn of the century.

There are several reasons why we are winding up in this situation now. One is the problem's degree of difficulty. But it is also much easier to conduct the debate in terms of the requirements for new equipment which, taken by itself, is necessary and well justified. In so doing, no ingrained opinions are disturbed--no disagreeable questions regarding regional policy are brought up, and one is not forced to assign priorities in the utilization of conscripts.

Discussion Easier

Perhaps that is why it is so much easier to talk about the 40 or 50 billion kronor to be invested in the development and procurement of equipment during the coming 5-year period than to to think seriously about how we are spending the equally large sum that is being used for human investment for the same purpose.

It is not possible to wait until 1992. There is reason, therefore, to keep in mind the idea of an interim decision in 1988 or 1989 concerning the structure of training and the policy that will apply to the peacetime organization. Let us therefore make a real effort so as to be able at that time to reach a decision on a genuine defense reform even as regards personnel.

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MILITARY SWEDEN

BRIEFS

NAVY BUYING SPANISH PLANE--Goteborg--The Navy and Coast Guard have both ordered new airplanes. Their choice is the Spanish CASA, which was the winner in a lengthy battle among various manufacturers. In an initial phase, Swedair offered its secondhand Twin Otter aircraft at a low price, but the customers showed lukewarm interest, writes FLYGREVYN in the issue that will be out in a few days. They were afraid that the plane would capsize during an emergency landing on water. The Coast Guard, which currently flies Cessna-402's, is taking a big step up in size with its purchase of two CASA-212's. The new turboprop aircraft have a takeoff weight of close to 8.5 metric tons. A civil version of the CASA-212 can carry 26 passengers. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 2 Mar 86 p 33] 11798

CSO: 3650/157

KIECHLE DEFENDS GOVERNMENT AGRICULTURE POLICIES

Hamburg DER SPIEGEL in German 3 Mar 86 pp 82-93

[Interview with Ignaz Kiechle, Minister for Food, Agriculture and Forestry by SPIEGEL reporter, date and place not given: "Why Don't I Plant a Forest?"]

[Text] SPIEGEL: Mr. Minister, this is an election year in the three agricultural Laender of Schleswig-Holstein, Lower Saxony and Bavaria. The farmers are threatening to desert the CSU/CDU. At the end of the year will you be left standing as the black sheep of the government?

KIECHLE: In an impartial evaluation of what we have accomplished--tax advantages, additional aid in disadvantaged areas, which we have also broadened our definition of, improvements in the social sector and resistance to plans for price reductions in Brussels--I really don't think I will be left standing.

SPIEGEL: Obviously these accomplishments do not satisfy the farmers. Polls show that nearly one out of every two farmers is intending to express his disapproval of your policies by refusing to vote or by voting for another party.

KIECHLE: There will certainly not be that many who will do so. And besides, the farmers are not demonstrating and protesting against the minister personally, but rather because they want to bring it to his attention that they cannot live with current farm prices. They are only using the minister as a medium.

SPIEGEL: The ability of a minister of agriculture has always been measured by the price increases he fought for in Brussels. Now the warehouses are brimming over; higher prices are no longer possible.

KIECHLE: I do not fail to mention in my public appearances that it is absolutely necessary to eliminate the cause of this drop in prices, namely overproduction.

SPIEGEL: Your party chairman, Franz Josef Strauss, wants to know what you are going to do to get the farmers to continue to vote CSU. What do you have to offer him?

KIECHLE: Basically, I have already consulted with him on what has happened to date. Following this series of national aid packages we want additionally to prevent further setbacks during the next price discussions in Brussels.

SPIEGEL: If there is a setback during the Landtag elections in Bavaria, will you be sacrificed by Franz Josef Strauss?

KIECHLE: Considerations regarding the composition of the next cabinet have not yet been discussed. Surely the word "sacrifice" is not appropriate. We are not barbarians.

SPIEGEL: The farmers complain that although they voted in the CSU, prices always seem to drop whenever a CSU minister is in charge of the department of agriculture.

KIECHLE: That is really not so. As long as there was still something to distribute, up until 1969 under the Christian Democrats and until about 1974 under the Social/Liberal coalition, the farmers were completely satisfied. The disaster began when we were no longer able to sell and pay for increasing production. The truth is that in 1975 at the latest it was apparent that there was no demand for increasing production. But no politician reacted to the situation.

SPIEGEL: But you are not reacting to it either. You oppose changing the present system in which ever increasing prices drive production onward.

KIECHLE: The phrase "ever increasing prices" is inappropriate. Prices have in fact gone down. If it were true that production declines along with sinking prices, then we would have been cultivating less grain, for example, for some time now. But the opposite is what is happening.

SPIEGEL: And that is the problem. You drive the people to produce more and more when their income goes down.

KIECHLE: But it is precisely that which shows that we cannot influence quantities by means of lower or stagnant prices. That is my conviction, too, and that is why I am opposed. Only farmer income is being lowered here. But the market problems are in no way being dealt with--unless we let prices sink so low that some of the farmers go bankrupt.

SPIEGEL: Nevertheless, the EC commission wants to lower prices during the next round of price talks. Last year you showed your opposition with a veto. Would you do so again?

KIECHLE: In any case I would employ all options to prevent a targeted price reduction policy.

SPIEGEL: Won't that wear thin?

KIECHLE: It would if I just say no. But I will make very concrete proposals in Brussels.

SPIEGEL: What kind?

KIECHLE: The funds which are being used anyway for agricultural policies in Brussels should in the future be spent for reducing rather than increasing production. The basic tenet of this round of negotiations must be: Promote non-production rather than production.

SPIEGEL: Shouldn't the basic tenet rather be: Let EC farm prices fall over the long term to the level of the international market? Have you ever thought about that?

KIECHLE: Yes, I have thought long and hard about that. The international market price is not a price which is based on costs in each of the producing countries. The United States, for example, subsidizes the wheat exports of its farmers just as we do.

SPIEGEL: Pointing out the sins of others does not help. The fact is that the world's largest agricultural exporter, the EC, sells its products on international markets at cut-rate prices. How is this market expected to function?

KIECHLE: On that point I agree with you completely.

SPIEGEL: West Germans pay more than two marks for a pack of butter; only about 25 or 30 pfennigs are left for the EC on the international market.

KIECHLE: With beef it is even worse. I agree with you completely. We have to get away from this system, but it is only possible if we limit quantities.

SPIEGEL: What is the situation with beef?

KIECHLE: We currently cut the price of fresh beef that is sold on the international market from about DM 7.20 per kg to about DM 3.50. For frozen meat that is purchased within the EC for DM 8.30, the EC gets only DM 1.30 from the Russians.

SPIEGEL: Statistics show the results of the current policy. Within one year the grain reserves of the EC increased from just under six to nearly 17 million metric tons.

KIECHLE: It is completely illusory to think that we can produce 10 or 20 percent more than we can sell for many more years within the protective environs of the EC. We must very quickly reduce production.

SPIEGEL: Reduce it with the aid of even more planned economics. In the future will you prescribe how much each farmer is allowed to produce?

KIECHLE: As always. It need not be an entirely planned economy. Milk quotas are also only partly the result of a planned economy. We have drawn an upper limit and said: Up to this level you get a guaranteed price; if you produce more than that you get the international market price. And that is about 20 pfennigs. The farmer is not forbidden under penalty to produce more. We could also have a similar procedure with other products.

SPIEGEL: Your assistant secretary, Gallus, is of an entirely different opinion. He wrote recently, "The quota system which has been introduced for the sugar and milk markets ought not to be extended to other products."

KIECHLE: Insofar as Assistant Secretary Gallus represents official policy, he represents my policy. Insofar as he speaks as an FDP man, I have discussions with him.

SPIEGEL: It must in fact be disconcerting when a government which preaches a market economy then backs a planned economy.

KIECHLE: I don't see it that way. It is precisely in the areas of life's necessities that there is intervention everywhere. Take the Rhine-Ruhr transportation association--there the user pays about one quarter of the actual costs. The rest is paid by the state. Why it has to be different with food is not easy for me to understand, particularly since agriculture is not a homogeneous entity. Sometimes you have 10 cm of humus, sometimes 1.5 meters; some farmers have two months of winter, others have six, not even taking elevation into account.

SPIEGEL: And the state should even things out?

KIECHLE: In parts of agriculture we do have true competition. In the past 25 years the number of farms has declined from nearly 1.5 million to now just 720,000. And regarding the question of humus: When an uncontrolled market economy rules, only the large-scale farmers in good areas will survive. Nobody wants to see that happen.

SPIEGEL: For the coming round of price talks the EC commission is suggesting that only the top-quality grain be purchased at the agreed price, the rest for a cheaper price. This would correspond to a price reduction of about three percent. Could you come back home with such a solution?

KIECHLE: Not exactly. We want to increase the price for top-quality grain and allow the market to set the price for the lesser quality grains. Our intention here is to divert part of the grain into feeding troughs.

SPIEGEL: Why should the other EC members allow you to collect surcharges for the better quality grains produced in Germany? The lower quality grains of the English would then end up underpriced in the feeding troughs.

KIECHLE: The English have exactly the same opportunity as we do either to convert to high-quality grains . . .

SPIEGEL: . . . then it will be even worse . . .

KIECHLE: . . . or to stick with low-quality grains. Since the British have depended on low-quality grains up to now, they have profited from the present system.

SPIEGEL: The surcharges would result in everyone going over to high-quality grains.

KIECHLE: First of all it will not work for everybody. Secondly, high-quality grain on the average yields perhaps 50 to 60 double hundredweight of grain per hectare, low-quality grain 100 double hundredweight. Our problem is too much grain, not too much quality.

SPIEGEL: You cannot accept the suggestion of the commission which amounts to a de facto average reduction in grain prices?

KIECHLE: I will not accept it.

SPIEGEL: Perhaps you will find more agreement within the commission with another idea. You would like German farmers to produce more biological raw materials for industrial use.

KIECHLE: Since the foodstuffs market will remain constant, because the population in the EC will scarcely increase and because per capita consumption will not increase appreciably, we must see to it that we divert productive efforts into other channels. Of course, we cannot allow things to become more expensive.

SPIEGEL: But they will. And nothing helps: In the southern countries fruit for energy production can be cultivated much more profitably than in Lower Saxony, for example. You already have a new kind of market order, only more expensive than the old one.

KIECHLE: No, we want by all means to allow a market economy to develop. If the southern countries of the EC are in a position to produce these raw materials better, then they should do so.

SPIEGEL: That does not help out your own large-scale farmers in Schleswig-Holstein.

KIECHLE: That is absolutely not true. If less beef were to be produced in other parts of the EC, it would also help out here.

SPIEGEL: How is it supposed to work, then, in actual practice? Can you explain it to farmer Jan Kordes in Lower Saxony?

KIECHLE: As he has done up to now he plants grain or sugar beets . . .

SPIEGEL: . . . and gets for it, as up to now, a guaranteed price?

KIECHLE: To be sure, he does not exactly get a guaranteed price, but he does get a price that is within a certain range that enables him to make calculations. Then the industrial plant which produces this alcohol in my opinion produces it on the basis of this price for the raw materials. And then, using the funds coming out of Brussels which we ourselves want to make available nationally for the introductory market phase, we attempt to make an offer to industry. The product should be used in fuels or in dyes and lacquers, for example.

SPIEGEL: Industry will not buy one liter from you if it means economic disadvantages for themselves. You will have to subsidize this product until the price is competitive.

KIECHLE: We must offer the product just as the international market would offer it. But, in other processes such as the gasification of coal for example, billions of marks are spent. Why not for agricultural products where you also have the advantage, unlike with coal, that they keep on growing?

SPIEGEL: Have you ever calculated the costs involved in the use of bioethanol, for example?

KIECHLE: Naturally. That was calculated long ago. Today, based on a beet price of about five marks per double hundredweight, we can produce alcohol for DM 1.20 per liter. The oil companies would be willing to accept bio-fuels for 60 to 70 pfennigs per liter.

SPIEGEL: And the taxpayers pay the difference. How much will you try to squeeze out of the finance minister for this?

KIECHLE: First of all I would attempt to calculate the tax on ethanol, as compared with mineral oils, based on the gross calorific value of ethanol. This would mean 20 pfennigs less mineral oil tax per liter of alcohol.

SPIEGEL: An what does the finance minister say to that?

KIECHLE: We are not that far yet, but the minister of research has signalled that from his point of view it is worthy of consideration.

SPIEGEL: When will you speak to Mr. Stoltenberg about it?

KIECHLE: We are already talking about it. The rest of the price difference, however, which would still be about 40 pfennigs, would have to be taken over by Brussels.

SPIEGEL: The economics minister accuses you of being absurd for opening up new channels for subsidized sales of surplus products. In any case, subsidies are increasing.

KIECHLE: It is a way out of the mess. Another way would be to take land out of production for a time and use it as an ecological compensation area. I think that a ten-year agreement could be concluded with these farmers on a volunteer basis.

SPIEGEL: What does that cost and who pays?

KIECHLE: Insofar as there is less pressure on the mark, Brussels pays; insofar as the social aspect is predominant, the state pays; insofar as nature preserves and the ecology benefit, the Laender pay. I think that the overall amount needed would be approximately 800 to 1000 marks per hectare--all three components taken together.

SPIEGEL: The social aspect likely means early retirement. At what age?

KIECHLE: At 55. Those ten years would then provide the transition to the usual retirement pension at 65.

SPIEGEL: What does the farmer do during his early retirement? He keeps on farming or sells to his neighbors.

KIECHLE: He lets everything grow that wants to grow.

SPIEGEL: The early retiree makes hay?

KIECHLE: He can make hay. He can cultivate animal feed. But he must agree not to fertilize intensively.

SPIEGEL: Would that mean a restriction of property rights?

KIECHLE: No.

SPIEGEL: The Land government cannot say then that you have to dig a hole here for the turtles?

KIECHLE: If the Land government wants to dig holes for the turtles it has to buy the land. The farmer can only be obligated not to produce foodstuffs.

SPIEGEL: Barter trade will flourish in the villages. One person does not work his land, gets state subsidies for it, and makes green feed so that another person can properly expand his milking or feeding operation. Then you have both, higher production and state subsidies.

KIECHLE: No, that will not happen. First of all, the earnings after a very short time if there is no more fertilization . . .

SPIEGEL: . . . which no one is checking . . .

KIECHLE: . . . will be very low. I mean, we do not have to regulate everything with absolute perfection. Production will decrease in any case. Secondly, we will also include reforestation. It may be that there are enough people who say, I want to keep my property, but since I have no children I want to get out of production anyway. Why don't I plant a forest?

SPIEGEL: The whole thing has just one drawback. The ministers of finance and labor will not cooperate.

KIECHLE: You'll see. My good arguments will convince them.

SPIEGEL: The whole thing would be very easy to finance if Mr. Stoltenberg had not already allocated a large sum to the farmers in the form of a tax break.

KIECHLE: The program you are alluding to runs for four and a half years. One and a half have already passed. That leaves three years.

SPIEGEL: In which the farmers will be relieved of paying just under 13 billion marks in taxes.

KIECHLE: Granted. I will speak with the finance minister at the proper time about using those funds which will become available as a result of the law doing away with the present lump-sums of value-added tax and applying them to taking land out of production. We may perhaps not get the whole lot but we will use a substantial amount for that purpose.

SPIEGEL: Until then should the farmers march through Bavaria carrying signs saying "Kiechle, do something!"?

KIECHLE: I always see them with these signs. I saw them yesterday and I will continue to see them for some time because the farmers are truly in a difficult position. For three years they have suffered real price reductions, and naturally they also see that in the rest of the economy profits were increasing and so were wages and salaries. I am not surprised that they are critical.

SPIEGEL: Were you ever at the point of despair?

KIECHLE: Everyone has his emotional ups and downs. There are times when all you encounter is protest--phrases like, "The farmers are behind you--with a pitchfork; the scientists are on your side--but with harsh criticism; the commission is before you--but with opposing views . . ."

SPIEGEL: . . . and Franz Josef Strauss hangs over you.

KIECHLE: Franz Josef Strauss has helped me a great deal. That in such a situation someone, or even your own wife, asks you from time to time if your health can bear up under all of the responsibility--that does happen. But I am not tired of this job.

SPIEGEL: You want to be agricultural minister again?

KIECHLE: At no time anywhere have I ever said that I do not.

SPIEGEL: Mr. Minister, we thank you for the interview.

12552
CSO: 3620/603

ECONOMIC NORWAY

STRONG DROP IN TRADE WITH SOUTH AFRICA

Oslo AFTENPOSTEN in Norwegian 22 Feb 86 p 8

[Article by Odd Inge Skjaevesland: "Trade with South Africa Way Down"]

[Text] Norway's total commodity trade with South Africa dropped by 15.7 percent in 1985 as compared with 1984, from a good billion to 878 million kroner. Imports dropped by 21 percent, and exports by 13 percent. We are buying less of all goods, except manganese ore. Imports increased by 11 percent from 1984 to 1985, it appears from figures AFTENPOSTEN obtained at the Trade Ministry.

That commodity trade with South Africa last year was at a total of 878 million kroner means that it is less than one half a percentage point of Norway's total traditional commodity trade in 1985. "The government's measures have resulted in the fact that trade with the apartheid government is being reduced from month to month," Trade Minister Asbjørn Haugstvedt says in a commentary to AFTENPOSTEN. He emphasizes that the government's objective is to have all trade cut off from South Africa's present government.

Exports

First and foremost, Norway is selling precious metals from Falconbridge in Kristiansand to South Africa. In 1985 these sales constituted 80 percent of all Norwegian exports to the country. Haugstvedt points out that the ministry has received assurances that these exports will cease completely in the course of a month's time.

"This means that our trade with South Africa will be reduced an additional 50 percent as of 1 April," the trade minister points out.

Imports

Trade Minister Haugstvedt points out that Norway bought 50 percent less from South Africa last year as compared with the year before--if we disregard the manganese ore for both years. We purchased 184 million kroner worth of manganese ore in 1985 versus 162 million the year before. We imported almost 33 tons more concrete in 1985. This was an increase of 11 percent.

In addition, there has been a strong drop in imports of cupronickel matte, crude phosphate, fruits and vegetables and canned fruit.

8831
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ECONOMIC SWEDEN

BRIEFS

ANGOLA WANTS INDUSTRIAL COOPERATION--Angola wants broad industrial cooperation with Sweden. That desire was expressed while Under Secretary of State Carl Johan Aberg was in Angola on a mission last week. Cooperation with Sweden is desired chiefly in the transportation and construction sectors. ASEA [Swedish General Electric Corporation] recently obtained a contract, and both Scania and Volvo are in a dominant position when it comes to trucks and buses. Negotiations concerning cooperation with Sweden in the field of petroleum are underway. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 26 Feb 86 p 37] 11798

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END

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West Europe Report

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WEST EUROPE REPORT

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SCHLUTER FACES CHALLENGE IN HOLDING CONSERVATIVE VOTERS

Copenhagen BORSENS NYHEDSMAGASIN in Danish 3 Mar 86 pp 24-26

[Article by Jorgen Gronnegard Christensen and John Wagner: "Conservatism--For All the People"; first paragraph is BORSENS NYHEDSMAGASIN introduction]

[Text] Poul Schluter's dilemma is that he must limit the deficit in the balance of payments and at the same time fulfill the wishes of his new voters for raises in their real wages. George Brown, British foreign minister 1966-68 said, "Progressive conservatism is about the same as driving a car with the brakes on."

The Conservative Party is on the way to the middle in Danish politics. In step with an increasing number of wage earners--including "correct" workers, for example 20 percent of the members of HK and 16 percent of the members of the Metal Workers Union--voting Conservative, the party has sent out new smoke signals.

It is not conservative politics with a capital C that they are talking about these days in Prime Minister Poul Schluter's party. On the contrary.

The most exciting subject for debate since the compromise intervention in the spring of 1985 has been how to avoid another economic intervention which could hurt all the new wage earners who feel drawn to Poul Schluter's moderate and progressive conservatism.

"I would rather have it so that my political opponents--and here I am thinking especially of the Social Democrats, who are on the other side of the middle line--must admit that we reach reasonable decisions. That applies also to our attitude toward the welfare state," said the prime minister to BORSENS NYHEDSMAGASIN on 23 September 1985.

That was a statement which was noticed in the inner circles. In the Liberal Party, which believes that the prime minister is too inclined to pay attention to how marginal voters will react to new initiatives. In the Social Democratic Party, which belilueves that Poul Schluter is on the decline. And in the Conservative Folketing group and the Conservative Party apparatus, where they feel that they must continue the struggle to be the major popular party.

Following the completed struggle with the Progressive Party (and the Center Democrats, who also had borrowed a good portion of Conservative votes) the Conservative Party--including the prime minister--concentrated all of its political power on developing the old rightwing party into a real alternative to the Social Democrats--"into just as strong a popular movement," as the party chairman expressed it.

Anatomy of Success

The march of the voters has been incontrovertible. From 5.5 percent in January 1975, when Poul Hartling brought the Liberal Party a great victory, until 23.4 percent in January 1984. That is a development which compels respect, since only the latest election victory (from 14.5 percent in December 1981 to 23.4 in the last election) can be attributed to the prime minister effect.

The anatomy of success is a study of how two of the greatest strategic talents in Danish politics--Poul Schluter and Minister of Justice Erik Ninn Hansen--have saved a party on the way to the precipice. Twice.

The first change came in 1974 and 1975, when the party, weighted down by the VKR government's lack of merit, and the Progressive Party and Center Democrats emergence, took an enormous turn to the right. All the old conservative virtues were enthroned--and then came pure parliamentary fulfillment, when the Folketing group (minus Erik Haunstrup Clemmensen and Hans Jorgen Lembourn) failed to vote on the finance law.

The next change came a few years later, when the party--now with a foot in the door and a firm hold on traditional voter groups, independent businessmen and high-salaried officials--started a new struggle for influence and a broader voter basis. As in the middle of the 1960's, when the party with Poul Sorensen and Poul Moller at the head created a reasonably broad voter basis and at the same time--as a consequence and to protect that basis--entered into significant compromises (mostly in the days of the VKR government).

In reality it was the period of decline--in voter support as well as influence--in the mid-70's which deviated from the conditional structural development of the Conservative Party, and not the latest move toward the middle. So the question is whether the party will enter another decline. For the time being there have been no tendencies toward a migration to, for example, the Progressive Party or the Center Democrats, which often rumble with traditional conservative viewpoints such as hesitation at raising the rental value of owned houses.

It is also more probable that the Conservatives are vulnerable about development of the Social Democratic and Liberal Parties, as if it were the profile problems of these parties which have caused the Conservative Party's successes.

In any case the party must understand that only 11 years after the disastrous election of 1975 it still has a large percentage of "shifting sands" which could rapidly find a new home if these entirely new or new "old" Conservative voters again begin to notice the tightened income and finance policy in their own wallets, or if the economic reconstruction fails.

Patience Tested

So far, however, the new members of the Conservative Party have proved to be incredibly understanding toward the circumstances of the minority party and what it costs to be the largest (and leading) party in a government consisting of four parties.

Changes have taken place mostly within the area of taxes which are definitely not in accordance with original Conservative thought. Tax pressure has risen. The real interest fee was a Social Democratic discovery. The renewal of the interest deduction was not in accordance with traditional Conservative tax policies, and increases in corporate taxes have been a tear in the eye of business.

Attorney Kristian Mogensen, who often (and sometimes correctly) is called "the gray eminence" of the Conservative Party, said the other day to the party's newspaper VOR TID:

"I have sometimes told myself--and perhaps also told others--that I do not believe we should have done this. For example I believe that the government has gone too far with tax reform. I am concerned that in 1987 or 1988 there will be a negative reaction from the taxpayers. They are becoming disappointed. We have induced many of them to believe that they were going to pay less taxes, and I do not believe that they will. I am therefore afraid that the same thing is happening as when they promised pay-as-you-go tax reform, that everything would be easier, and there was talk of tax reductions. That turned out not to be the case, and there was diasappointment. I am afraid that there will be a corresponding reaction in a couple of years."

Another principle area in which Conservative policies have not been followed is in foreign policy, mainly security policy--and until the prime minister "wrote out" the referendum on the "EC package"--market policy.

In the Conservative Folketing group, however, there are only a few who share Kristian Mogensen's concern. Some of them understand Poul Schluters decision to interpret the referendum as an indication that "we want no more of it," as the attorney put it. Some of them are much more worried about defections which can come if the wage earners (and they are 82 percent of the party's professionally active voters according to a survey by the Institute of Political Science at Aarhus University in 1984) leak away in protest against new encroachments.

And that is not without cause: For the time being it seems that a number of public employees who had turned back to the Conservative Party are on their way away again. The departures correspond, however--so far, at any rate--to the greater influx of well-paid privately employed officials. This is shown by university analyses, but the tendency is also noticeable in the party--for example at a wage earner conference recently--that it is no longer unusual for publicly employed party members to complain about encroachment agreements and request arrangements similar to OD if private employees derive advantage from business surpluses.

It is reported from a Copenhagen voters league that the wage earners' dissatisfaction with the government's wage policy now exceeds business criticism of industrial policy.

There are 22 months before the next ordinary election--and considering an eventual economic tightening to limit the balance of payments deficit and the wage agreement negotiations this winter--it will be exciting to see how the Conservatives profile themselves in the coming months.

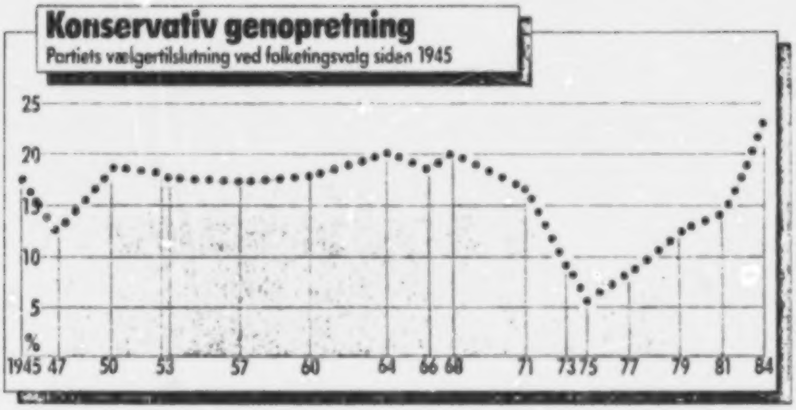
The dilemma of the large government party is that it postpones balancing the budget in order to coddle the public employees, that pay raises in the public sector will automatically cause wage creep in private business to the detriment of competitive ability, and that such developments will automatically jeopardize the so-called restoration. On the other hand it is doubtful whether the Conservative wage earners, who will no longer be hit in their own wallets, will be greatly concerned by a record deficit in the balance of payments.

In this way Poul Schluter's strategic ability is being given a serious test in the coming period. And he has previously demonstrated surprising resourcefulness with unsolvable problems. The referendum on the EC package, when he was at once successful in getting voter support for the government's market policy, avoiding a new election to the detriment of the Radical Liberal Party and the two smaller government parties, and creating a spectacular split in the Social Democratic Party, are only a few of many examples of the prime minister's negotiating power (and daring) when it really counts.

For the time being the finance minister (with his modernization plan, smoke signals about wage reform in the public sector and repeated assurances that there is no need here and now for tightening the financial policy) has hinted that a balance will be found between considerations of the balance of payments and compliance with the wage earners' demand for real wage advances.

It is not a coincidence that the most exciting subject for debate in Conservative circles these days is the attitude of public employees toward government policies.

The party is balancing on a tightrope between a new fiasco and a great success--in the national economy as well as in party politics.



Caption: Conservative Party Restoration. The party's voter support in Folketing elections since 1945.

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ELECTIONS ANALYST: CONSERVATIVES GAINING BLUE COLLAR VOTE

Copenhagen BORSENS NYHEDSMAGASIN in Danish 3 Mar 86 p 26

[Article by Svend Bie and John Wagner: "The Conservative 'Labor Party'"; first paragraph is BORSENS NYHEDSMAGASIN introduction]

[Text] The Conservative and Social Democratic Parties are obtaining their voters from the same occupational groups, but the Conservatives have broader support.

The Conservative Party has never in its history obtained its votes from such a broad voter spectrum as now. That was confirmed by assistant professor Jorgen Goul Andersen of the Institute for Political Science at Aarhus University.

In the latest Folketing election 82 percent of the Conservatives' occupationally active voters were wage earners, and that percentage has not declined since then, according to Jorgen Goul Andersen. In comparison, only 60 percent of the Liberal Party's occupationally active voters were wage earners.

After the major downturn in the 1970's the Conservatives have now regained a position as a large wage earner party. And not only that: Where 7 percent of "correct" workers voted Conservative in 1971, today it is 15 percent of workers who mark a cross under column C. The figure is emphasized even more by the fact that today workers make up a smaller part of the population.

Jorgen Goul Andersen's investigation shows that public and private employees largely voted according to a pattern in 1971, but now they have entirely different preferences. Today there are significantly fewer higher officials employed in the public sector who vote Conservative than there were in 1971. On the other hand there are many more privately employed higher officials who now vote Conservative.

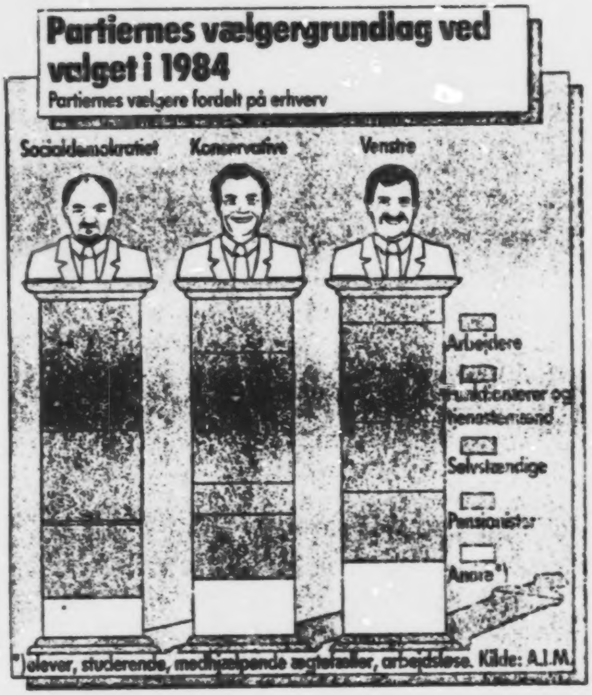
"The party more and more resembles a people's party," said Jorgen Goul Andersen, whose latest investigation shows that steadily more and more privately employed officials are on the way to the party. Especially men and higher officials. On the other hand publicly employed officials are wandering in the opposite direction toward the leftwing.

Jorgen Goul Andersen noted that the Liberal Party has apparently not taken votes from the Conservative Party--yet--even though the party now stands for a more nonsocialist position. "The Liberal Party will presumably begin that one day when the Conservative drive stops," he said.

An AIM investigation conducted for the Conservative Party in the fall of 1984 divided voters into 13 groups. The investigation shows that the Social Democrats are the largest or next largest in seven of the groups. Surprisingly the smaller Conservative Party is largest or next largest in 10 of the groups. If one looks instead at the importance of the groups to the parties it can be confirmed that the three most important groups for the Social Democrats and the Conservatives are identical: lower functionaries and public officials, pensioners and skilled workers. The three groups make up two-thirds of the Social Democratic voters. Since the Conservatives get their voters from a broader base, the party must also have the higher functionaries and public officials before they have two-thirds of the votes.

An Observa poll in the JYLLANDS POSTEN on 16 February showed that the Conservatives have acquired a surprisingly good hold on the skilled worker members of LO [Danish Trades Union Congress]. Thus 20 percent of HK's members, 18 percent of municipal workers and 16 percent of the Metal Workers Union members vote Conservative, while only 2 percent of the semiskilled workers vote Conservative.

About 30 percent of the members of the Joint Council for Officials and Functionaries vote Conservative. The Social Democrats are thereby overtaken as the party which has the greatest support in the FTF.



Caption: The Parties' Voter Foundation in the 1984 Election

The Parties' Voters Divided by Occupation

Soc. Dem. Cons. Liberal

- Workers
- Functionaries and officials
- Independent
- Pensioners
- Others*

* students, undergraduates, servants, unemployed. Source: A.I.M.

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SDP, INDEPENDENT DAILIES COMMENT ON CABINET SHUFFLE

Schluter Reinforces Conservative Content

Copenhagen AKTUELT in Danish 13 Mar 86 p 10

[Editorial: "Lengthy Manipulation"]

[Text] It took time, and the entire affair gradually became so pressured that expectations and the demands to form a government almost caused the prime minister to panic. Developments culminated on Tuesday towards midnight, when he fired ministers by rows, moved those remaining around, and cheated the Christian People's Party out of the ministerial post which Kofod-Svendsen wanted. And so it was a lengthy manipulation, so complicated that it probably complied with demands from the government's four parties as well as many special interests. Whether the Radical Liberal Party is satisfied with landowner Britta Schall Holberg as Minister of Agriculture is another matter, and the attitude of the farmers toward the firing of Niels Anker Kofoed could be a hot topic in the coming debates in the farmers associations and in the Liberal Party.

The extensive government changes can raise the thought of whether the prime minister really thinks that he is irremovable for a long period of years. Some direct surprises in the new list of ministers are probably tactical plays, for example the naming of H. P. Clausen as Minister of Cultural Affairs. On other points the prime minister is challenging. He is trying to give his government the appearance of a "business government" with a conservative bracing. Of course it was necessary to change the minister of Labor, but the new labor minister is Novo director Henning Dyremose, and that should be seen in the light of the chairman of the Federation of Danish Industries, Niels Wilhjelm, becoming minister of industry. It is along the same lines that mayor Thor Pedersen of Helsinge became minister of housing. It is obvious that Schluter intends a harder conservative course.

For that reason the new government's actions will be kept under close scrutiny.

Independent Leftist Organ Comments

Copenhagen INFORMATION in Danish 13 Mar 86 p 1

[Editorial by emc: "Conservative Power"]

[Text] Government intrigue, the most extensive ever in the middle of an election period, seems to have arisen under the control of the head of government when he realized that his partner, the Liberal Party leader, would under no circumstances give up the foreign minister post.

It caused a marked strengthening of the Conservative Party stamp on the government. The Liberals were weakened by the reorganization and all such actions, despite getting the labor and industry posts, given the Radical Liberal tendency to think that the middle, nonideological forces in the government--and that includes Schluter's version of conservatism--were strengthened.

Even though the head of the government--and many worried Liberals with him--desired a change, which brought the Liberal leader back to the center of economic policy and thereby into the coordination and formation of the principal elements of the policies of the four-party government, Ellemann-Jensen said no.

A dynamic renewal of the government's actual power center was thereby excluded, Anders Andersen is still the Liberal Party's best candidate for minister of economic affairs--even if he is not on the "team" when the next Folketing election comes.

With the Liberal Party's defensive declaration, which said that Ellemann-Jensen and Anders Andersen could not be moved, and that the number of Liberal ministers must remain unchanged, there was a great risk that the government reorganization would be too little and lacking in perspective, pure and simply the firing of a couple of the most incompetent. And that was far from the "changed arrangement" which was to ensure the government profile and new strength for the rest of the period.

In that situation some said that the government reorganization must be abandoned, as Erik Ninn Hansen, close advisor to both the Liberal Party and Schluter, believed.

But the head of the government undoubtedly saw things correctly when he instead pressed ahead and said that the reorganization was gaining ground.

One of Schluter's strong arguments in the internal debates and negotiations must have been his open desire to remove all problem children from the old team. Not only the most obviously weak ministers, Grethe Fenger Moller and Niels Bollmann, but also Niels Anker Kofoed and Britta Schall Holberg, who both were obstacles to rational government work, and Henning Grove and Ib Stetter who, even though they did not create catastrophes in their jobs, neither were they dynamic problem solvers. Schluter guaranteed for himself a strong starting point by mercilessly cleaning out his own house. That made it easier for his partners to stand fast in defense of their own positions.

Erhard Jakobsen has said for a long time that he was ready to sacrifice Bollmann, who has been inferior to "the real minister of housing", department head Ole Zachi, during his entire time as minister.

The sacrifice was well-arranged, since it was accompanied by a "promotion" of Mimi Stilling Jakobsen from minister of cultural affairs to minister of social affairs. She will now have the opportunity to observe the social temperament of CD [Center Democrats] with the bloodletting in some of the government's cuts in assistance.

For the Christian People's Party it was--considering the extent of the bloodletting--naturally untenable to persist in the demand for one more minister post at this time, and the party was satisfied with a promise of one more post the next time--following the election.

The Liberal Party also had to submit. Kofoed is personally in opposition to Uffe Ellemann-Jensen as he was to Henning Christophersen and the entire team of young academic Liberal lions and their ideas on national economy.

But the decisive thing for his departure was that Kofoed became isolated in the government , mostly because of his conflict with the minister of environment about agricultural pollution. Kofoed's obstinacy here was an obstacle which interfered with the necessary functioning of the government.

The same thing happened with the renewal efforts of Britta Schall Holberg in the Ministry of the Interior. Schall Holberg's strong commitment was not accompanied by flexibility and understanding of the conditions of her partners in cooperation, whether it was the officials in the ministry, in the National Health Service or in the municipalities. This situation also became an obstacle.

One could suspect that the head of government hoped that she would say no when he offered her the agriculture post--as Elsebeth Kock-Petersen did when she was offered the job of minister of housing.

With the consistent purging of the problem children, Schluter has despite everything created a new government which looks like something. But we also have here the new people from outside, who will clearly bring an increase of brain power to the Conservative Party Folketing group.

That he was successful in getting the chairman of the Federation of Danish Industries and the well-paid chief of sales of Novo to come in indicates that strong forces in Danish business have seen that Schluter is out to accomplish a necessary task.

The government is in trouble, and something must happen if it is to have an election period in addition to the present one.

In the given conditions the intrigue is rather widespread, but certainly not sufficient to save the government from the misfortune caused by the failures of the balance of payments policy and the obvious decline of popular acceptance of the policies of cutbacks and inequality.

Even though Schluter is trying to stay in the middle, it is far from enough that he win back popular acceptance of his line--and the attempt can easily threaten the credibility of the balance of payments policy. The need for liberal reforms as a dynamic solution to the misfortunes is proposed only by the Liberal Party's bad boy, Anders Fogh Rasmussen, who was completely bypassed in the ministerial intrigue. That was not an accident.

Radical Liberals Discuss Move

Copenhagen INFORMATION in Danish 13 Mar 86 p 1, 12

[Article by stal: "Radicals Say The New Government Is Turning Toward Us"]

[Text] The leaders of the Radical Liberal Party see the government's extensive ministerial shifts as a de-ideolizing of government policies and a "turn toward the Radicals."

The vice chairman of the National League of the Radical Liberal Party, Keld Anker Nielsen, called the shifts "a further de-ideolizing according to the wishes of the prime minister," while the group chairman of the Radical Liberal Party, Niels Helveg Petersen called the shifts "a strengthening of the middle profile of the four-party government."

The Radical's vice chairman is well satisfied with the ministerial shifts. Immediately following the Radicals' defeat in the municipal elections, Keld Anker Nielsen said that three of the government ministers should be moved out:

Minister of the Interior Britta Schall Holberg (Liberal Party), Minister of Labor Grethe Fenger Moller (Conservative Party) and Minister of Industry Ib Stetter (Conservative Party). The first because her policies are wrong, and the other two because they are too passive.

Now Keld Anker Nielsen's wishes have been completely fulfilled.

He calls the shifts "a turn toward the Radicals."

"Seen politically, the shifts open some new possibilities. The higher priority and renewal which can now be expected to take place in the area of the minister of industry has been missing as well from the municipal political viewpoint. Many municipalities would like to proceed further with implementation of housing and the like," said Keld Anker Nielsen.

"And in the Ministry of the Interior, Britta Schall Holberg played a role as intermediary of cooperation between the municipalities and the state. The traditional relationship of trust between the municipalities and the state was weak. Now there are possibilities to wipe the slate clean. I hope that the new minister of the interior will show greater understanding that the total public economy can not be controlled by suggestions alone.

"In the area of the minister of labor, we have wanted more active labor market policies. Some of the effects of legislation in the area of unemployment--including regulations for educational performance--can well be turned into something positive with a minister who has initiative and control."

Liberals Weakened

One gets the impression that the Liberals have been weakened by the minister shifts because of changing the interior minister from the very ideological Britta Schall Holberg to the more low profile Knud Enggard, and giving the post of minister of social affairs to a Center Democrat.

"I interpret the changes as further de-ideolizing. The prime minister is of course not very ideological, and I mean that positively. We saw that during the negotiations for tax reform. He is able to lift himself up over his own party's interests and policies."

This de-ideolizing must mean a weakening of the Liberal Party?

"The Liberals must have had great difficulty contributing to these shifts," said Keld Anker Nielsen.

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POLITICAL DENMARK

IDEOLOGICAL STRIFE IN SDP FOLLOWING EC REFERENDUM SETBACK

Copenhagen BORSENS NYHEDSMAGASIN in Danish 3 Mar 86 p 27-29

[Article by Mikkel Hertz, Ole Schmidt Pedersen and John Wagner: "Envelopment Paralyzes Social Democracy"; first paragraph is BORSENS NYHEDSMAGASIN introduction]

[Text] Georg Poulsen, chairman of the Metal Workers Union, calls on the Social Democratic Party to form a government with SF [Socialist People's Party] after the next election--Jytte Hilden wants the party freed from LO [Danish Trades Union Congress]--Svend Auken rejects collective self-examination.

The total Danish labor movement is being pressed from all sides. All the other parties and organizations want to influence the Social Democrats, but their messages are different. And the party has no idea what it should do with all the conflicting advice. Even internally the party is not able to formulate a policy which outwardly can cover the conflicts which have arisen in the labor movement.

The political encirclement is one of the reasons why Georg Poulsen, the influential chairman of the Danish Metal Workers Union is now recommending that the Social Democratic Party form a government with the Socialist People's Party after the next election. This is a new tone from Georg Poulsen, who is normally characterized as a rightwing Social Democrat: "But if they are so crazy to have cooperation with SF and the voters indicate that, there should also be talk of government cooperation," he said to BORSENS NYHEDSMAGASIN.

The internal debate and disagreement about the "EC package" is just the latest example of the Social Democrats and the labor movement having a difficult time finding themselves after over three years in the opposition. Leading LO people and party members are demanding self-examination. The slate should be wiped clean, or as Svend Auken put it at the latest meeting of the executive committee of the LO: "We should return love to the movement."

The Ideological Inheritance

In reality the crisis arose because the movement neglected organizational work, avoided internal debate and did not make it clear how the movement would manage the ideological inheritance. And here the EC debate is only one of many examples.

"Beginning in 1972 and until today we have done nothing to smooth out the rough spots. Anker Jorgensen was put in to strengthen the contacts between the labor movement and the party--in order to heal the wounds. So 14 years later we discover that they are far from healed--even though during most of the 14 years we have held government power," said Georg Poulsen.

"Now I obviously get the blame because the government perhaps gains strength from this situation, and because Hardy Hansen's 180 million kroner is tossed on the floor. That is a statement which I reject. This situation has been created by the Social Democrats themselves," added the metal workers chairman. He had only a shrug of the shoulders and a sly grin for Hardy Hansen's claim for exclusion of all Social Democratic adherents to the package.

"For the sake of accuracy I want to point out that I was not excluded--quite the contrary," said Georg Poulsen to journalists following the latest meeting of the LO executive committee.

Now the question is: What will social democracy do? The party vice chairman and political spokesman, Svend Auken, said:

"The party must assemble itself on the main task--namely to be a credible opponent of the nonsocialist government. There will be an accounting which will be paid for this waste by Danish society over the past couple of years. That will be the most important discussion.

"The EC package is of course a very small question in relation to everyday Denmark. Therefore there is very little reason for self-examination. The referendum is finished, we are through with it. Obviously there may be individual Social Democrats who have reason to think over by themselves whether it was wise to let themselves be used by the nonsocialist press. But that does not require large meetings. That is a self-examination that individuals can undertake in their own room.

"We have taken a dive in the opinion polls as a result of disagreement over the package. We cannot overcome that by remaining sensitive, but only through hard work. But there will be much more discipline in social democracy in the future. There is no room for any kind of digression in any direction."

Heads Will Be Used

Nor did MP Erling Olsen, who together with Robert Pedersen and Poul Nielsen recommended a yes to the package, believe that the result of the voting should lead to a purge in the party apparatus.

"Social democracy is clearly in a crisis. Now the party must rise up again, and that can appropriately take place when the Danish people have confirmed that they are a part of Europe. But heads will not roll--they will be used," said Erling Olsen.

According to Georg Poulsen and several Folketing members, Social Democratic heads will be used together with SF to work out a dual work program for a coming SDP-SF government.

"When it comes to cooperation with SF after an election which will perhaps give a red majority, I will clearly say: That is good. We must go into the government together. Otherwise every time we get ready to do something good with SF, and we lack a few billion kroner, social democracy will have to go out and find a cooperative partner elsewhere. And then the party is again damaged," said Georg Poulsen.

Will SF have responsibility which also involves sanctions?

"Exactly, but not sanctions. I do not want to imply that SF will get a thrashing, but they must prove that they can accomplish something."

Various Folketing members agree with Georg Poulsen's viewpoint. One of these is Jytte Hilden from the party's leftwing:

Family Increase

"At the moment when there is a parliamentary majority for a SDP-SF government, it cannot be formed fast enough. Then we shall see what SF dares to do."

The conflict about the labor movement's economic support for social democracy is a remarkable expression of change in the labor movement. LO is no longer an organization which is exclusively factory workers and tradesmen, who 25 years ago made up the backbone of the labor movement. The family has been powerfully increased by new wage earner groups.

Sociologist Jesper Due, who researches labor market conditions at Copenhagen University, believes that the labor movement is acting as though it has not discovered that development: "When Ritt Bjerregaard says that the labor movement does not see its members, she is correct, but her approach is wrong. Naturally Georg Poulsen sees his members, but the majority of LO leaders are almost afraid of the workplace, and the new wage earners on the labor market do not participate in union meetings.

"It is people who are not confident of their role as wage earners, and who perhaps see advantages in some tax trick, at the same time as they are wage earners."

Furthermore the labor movement has a serious image problem which has absolutely not been improved following the problems with Danish TV and the Danish Workers Travel Association.

"When problems with bingo money, etc. attract more attention than the political iniatives that we take, it is because the press is organized the way it is." said Svend Auken.

"I believe that if the balance of payments deficit of 28 billion kroner had come under a Social Democratic government it would have been announced in gold print on the front page of BERLINGSKE TIDENDE. They would have considered it a wonderful opportunity. But now it is on page 41 under a heading by the minister of economic affairs: "Wait a Month."

Jesper Due does not entirely agree.

"Take for example OD, which was wrongly sold. When people hear about OD they believe that it is Ivan Barrington's Travel Association or A. Stendell Jensen over again. They think: Are these the kind of people who should have power? In this way the discussion becomes completely trite." said Jesper Due. "The thing is, there is no longer a merging between the hinterlands of social democracy and the labor movement. The question also is whether the party can survive with a divided community in which over 800,000 public employees are abused. I would think a lot about that if I were a social democratic politician."

Jytte Hilden has already done that. She wants to liberate the Social Democratic Party from LO in order to give the party an attractive image to a broader group of wage earners.

"Officials and functionaries do not have a tradition of close contact with social democracy, but if we were a large wage earner party we would also occupy ourselves with the problems of nurses, policemen, teachers, bank employees and academicians." said Jytte Hilden.

"The Conservatives apparently have a better offer for those groups at the moment, and if we continue to identify ourselves with the LO image we will never get the large groups of public employees to understand on which side they stand ideologically. SF does not disturb me so much in that connection. That party never sees a worker, and it does not care about the labor movement."

Public Employees Mobilize

Public employees, who are mainly organized into party-neutral organizations, will according to Jesper Due play a much stronger role on the labor market in the future. Large FTF groups, which nobody could imagine 10 years ago would strike, have already participated in actions in conflict with agreements.

"If all the public employees were removed from the large demonstrations, as has happened during the Schluter government, there would not be many demonstrators remaining. The majority are school teachers, pedagogues, etc., and there are many members of SF among them," said Jesper Due.

He characterized the Social Democratic Party as a confused party. The latest confusion during the debate on the EC package is blamed especially on a group of older Social Democrats. A group which is giving the party credibility problems, according to Jytte Hilden.

Local Self-Government

"During the election campaign it was interesting to observe all the former ministers and the former commissioners who suddenly came forth. It has been a hundred years since the people have seen a woman who can think and speak, and they have probably never seen their children--except when they were asleep. They have sat in the power apparatus of the Social Democratic Party and the labor movement, and they comprise a steadily smaller part, but they are obviously a concrete problem because they do not participate in the analysis of the party's future."

The sprouting of the new Social Democratic Party lies out in the local communities, predicts Jytte Hilden. Decentralization of political life is setting in, and soon it will be more interesting to be a mayor than a member of the Folketing. The party must understand this development, and therefore all obsolete systems must be abolished. That also means that central questions of education policy, social policy and labor policy must be decentralized. "We must establish a framework for where the minimums are. It may well be that the social policy in Ringkoping County is different than in Roskilde County, because the people in Ringkoping will themselves decide how they will use their money for culture, social conditions and education," said Jytte Hilden.

Nothing indicates that the movement is ready to make the necessary adjustments. For example, when Georg Poulsen last week said that the party needs a strong self-examination, the message was received with shakes of the head and irritation in the Folketing group. All according to temperament. Different members are very sensitive to criticism from the leaders of the movement. A representative of the organization characterized the party's delicate situation as follows:

"The Social Democratic Party today, with Anker Jorgensen and the national debt, is in the same fix as DKP [Communist Party of Denmark] with Jorgen Jensen and Afghanistan: The two parties both belong to one category in which involuntary changes of the chairman are not good form. And both have political corpses in their cargo, which seriously burden their relations with the voters."

9287
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POLITICAL DENMARK

SDP MUST CHOOSE BETWEEN IDEOLOGICAL PURITY, FUTURE EXISTENCE

Copenhagen BERLINGSKE TIDENDE in Danish 17 Mar 86 p 8

[Commentary by "Monitor": "Apprehended in Flight"]

[Text] The Social Democratic Party must choose between Labour's fate and a continued existence as a broad people's party. It will be a choice between the ideal and reality.

The Social Democratic Party is in a crisis. Not for the first time, but it is the first time the split in the party is so obvious and penetrating. Not so long ago the "attendant" debate raged, in which Robert Pedersen came into open conflict with Ritt Bjerregaard regarding the security policy. Before this clash there prevailed the battle between Kjeld Olesen and Ritt Bjerregaard regarding the Social Democratic Party's model for the society. Even before this the culture battle took place, in which the chairman of the party's Culture Committee, Ole Hyltoft, in a clash with Ritt Bjerregaard found the notion of the "Social Democratic disease"--i.e., that the party is yielding to ideas on the party's left, namely, Marxism. It was about Marxism which Ritt Bjerregaard wrote in STRID [STRUGGLE]: "The foundation supporting me is the Social Democratic Party, i.e., a revisionist and undogmatic Marxism." And this statement was not surprising, in light of the fact that as a young Folketing member she stated: "I do not think there is anything in the Socialist People's Party's platform which I cannot advocate." (JYLLANDS POSTEN, 3 June 1973).

Now Dansk Metal [Danish Metalworkers Union] has declared the Fourth Bjerregaard War. But the war is not just a personal showdown. It extends deeper, for it is a war between two forms of social democracy, where Ritt Bjerregaard has the whole time stood for one form, while her opponents have changed. But she does not stand alone. In addition, she has won too many victories in the Social Democratic Folketing group. Normally she has a majority in the group with her and has thereby set the party firmly on a course which is a good deal to the left and close to the Socialist People's Party. When this line becomes the party's, it is natural that the disagreement becomes so great that the road to a split seems to have been entered.

As the disputes of recent years have demonstrated, the split has long been latent. Conversely, it is so that the pursued "governing capability" will first appear when the party openly and unequivocally sticks to a course. At present there is talk of a necessary "delousing process." In practice this will mean that the dissatisfied must leave the party so that the rest can rally round and again make it ripe for governing.

The clash was not created by Ritt Bjerregaard, but often unleashed by her, because she says what other Social Democratic socialists keep quiet about. The clash lies in socialism itself and has accordingly also hit kindred parties in Europe. The English Labour Party has just begun a delousing process to dispose of its left wing. In France the ruling socialist party has almost totally changed course from doctrinaire socialism to a pragmatic social democracy. In Spain Gonzales has adopted the same approach. In the West Europe socialist parties and in the Danish Social Democratic Party there are two directions: the empirical and the speculative--the pragmatic and the utopian. One direction adapts its doctrine and its goals to experience gained. The other sees experiences as incidental expressions of incidental circumstances and places its stakes on creating the new society which will correspond to its ideology.

In an administration term both directions can live side by side, because the power of governing in itself becomes an overriding goal. In an opposition term the two directions collide, especially because neither of the sides can point to tangible results and both want to prevent the other from getting hold of the wheel.

The empiricists say: "But acknowledge reality"; and the speculative say: "This is what we must ignore." When Steffen Møller took leave of Dansk Metal he spoke of this issue: "It is really necessary that the world of reality can continue to be presented in the party." Dansk Metal and LO [Danish Federation of Trade Unions] are now mouthing the same words, when they are looking for more labor union people in the Folketing in order that the group will not again disregard the world of reality. On the other hand, Ritt Bjerregaard claims that the Folketing group has the best grasp of reality.

Meanwhile studies indicate that youth and workers are moving away from the party while academicians and public employees are gaining a better grip on it.

The Social Democratic Party is on the way to an outbidding policy with regard to the Socialist People's Party as far as public employees are concerned. Indeed, Anker Jørgensen stated a couple of years ago that he loved the public sector. But in 1979 Ritt Bjerregaard delivered a famous Askov speech in which she divided the country up into an A group and B group. These two groups were, accordingly, not created--as Svend Auken always asserts--by the four-party coalition government. In her speech Ritt Bjerregaard emphasized that the increased social and education expenditures have to an increasingly smaller extent benefited the needy--the B group--but "have to an increasing extent been going to improve the lots of lawyers, social workers, doctors, therapists and teachers. This is perhaps to some degree appropriate, but these public servants themselves belong to the A group, while the subjects of their care, the B group, are in the process left holding the bag."

In the same year Ritt Bjerregaard said regarding the Social Democratic Party's status in the public consciousness that it had become "the Royal Danish Social Democratic Party, to which one can no longer have any other relationship than to the Royal Theater, the State Railways or the Danish Heath Society." Perhaps she was right, and perhaps this is the explanation for the fact that at the present youth are looking toward the Conservative Party.

It is on the basis of such analyses that the party's more socialistic wing has found it necessary to polish the left wing's halo. But it has thereby come into a difficult position in terms of the mainstay elements and institutions of the society which it is principally responsible for. It is impossible to be both an extremist and a mainstay of the State. The practical, experience-touched line which agreed with the labor movement and the classical social democrats will be abandoned if extremism triumphs. Then both influence and the advances gained will be lost.

The classical line did not seek polarization, but a joint effort, and it achieved a historical number of reforms with changing parties on the right of the Social Democratic Party. Svend Auken cautioned in 1983 against the course which is now dominant: "With polarization we lose. Just look at how it has gone with the English Labour Party." (INFORMATION, 22 June 1983).

Svend Auken's words of caution had no effect. The party chose polarization in order to create an anti-nonsocialist profile and an image of something new. This has resulted in a loss of ground, which was certainly also part of the calculations. What is lost inside will be gained outside. That is, out in the Socialist People's Party.

On the basis of this consideration, the Social Democratic Party voted against the Budget and hurled the country into the 1984 election, which it, consistently enough, lost. Based on the same consideration, the Social Democratic Party fell upon the EC package and brought about the referendum, which it, consistently enough, lost.

And the party has fallen out with the broad voter corps in several areas. In the TV2 issue the voters prefer advertising financing, but the party is opposed--regardless of the Labor Press's experiments in the field. In the question regarding part time, the party is acting against pragmatic sense by laying down a line which is an act of dogmatic conformity instead of respect for the fact that people's wishes and circumstances are not always the same.

This is the "Social Democratic disease" which Ole Hyltoft described: "The overseers of the prevailing ideology suggested that equality meant the same portion of gruel for everyone. People with common sense could see that this ideology's triumph was synonymous with the society's defeat." (AKTUELT, 26 January 1984). But the party leadership has no eye for this relationship.

Finally, the party has fallen out with reality and thereby with the experience-touched Social Democrats in the defense and security policy. During her clash with Robert Pedersen, Ritt Bjerregaard wrote straight out in AKTUELT:

"NATO--and thereby also we in the Social Democratic Party who support NATO--has come to stand for a terrorism policy which is either amoral or without credibility, and this cannot continue to go on."

Anker Jørgensen followed this new line up when he praised Dictator Kim Il Sung in North Korea and gave his support to major portions of this one's policy.

These are examples of the road which the experience-conditioned, pragmatic Social Democrats are not prepared to follow. Ritt Bjerregaard calls them attendants and tells them that they have no place in the Social Democratic Party of the future. Studies indicate that they are about to break up for themselves. Tired of the serial of insecurity-creating security resolutions, they are gradually finding themselves more secure in the stable NATO parties, where the point of departure is not in the world of utopias but in that of reality. It is they who--like the longstanding Social Democrat who recently wrote in JYLLANDS POSTEN--are appalled at seeing Knud Damgaard "jumping at a Socialist Left Party motion for a new defense system."

There will be no alternative to the present government before the Social Democratic Party becomes stronger again. Anker Jørgensen said this recently. A few years ago the assessment was the opposite. Ritt Bjerregaard wrote in BERLINGSKE TIDENDE only five weeks before the change in government in 1982 that Anker Jørgensen's government was the most stable in West Europe and was completely without an alternative.

The clash in the party is about how to become stronger. Should they return to the pragmatic line? Or should they continue the flight to the left? In both cases voters will be lost. The question is just whom the party decides to cast off. The answer will be able to be read from the party's actions in the coming period.

Will the fruitless confrontations continue, or have they had enough of the sterile opposition policy and the cheap left-wing trappings? If confrontations and polarization are chosen, Svend Auken has cautioned regarding the consequences. But how long can he remain standing with one leg in each boat?

If it is decided to follow the hard line and the caustic image, the Social Democratic Party's days as a broad people's party will be numbered. It will suffer the Labour Party's fate, and the Folketing will get two rather large socialist parties. In the long term it will create great uncertainty, not only regarding foreign policy, but also domestic policy, when two socialist parties must outbid one another in rebutting the government and in promises of new and quite different times to the voters. Then they will really have forgotten the ability to distinguish between "The Ideal and Reality," which Professor Høffding as far back as 1913 pointed out the necessity of to the socialists.

8831
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FOUR-YEAR, THREE-MONTH LIMIT ON UNIVERSITY STUDY PROPOSED

Munich SUEDDEUTSCHE ZEITUNG in German 3 Mar 86 pp 1,2

[Article by Axel Hacke: "Appeal to Government and Universities; Academic Council: As a Rule, Study Should Not Last More Than 4 Years"; first two paragraphs are SUEDDEUTSCHE ZEITUNG introduction]

[Text] "The length of education no longer has any relationship to career duration"; curriculum must be "weeded out"; special courses are recommended for the new generation of academics.

Munich, 4 March--The Academic Council characterized the long period of study in FRG universities as "an alarming signal." So much time is being spent studying at universities that the length of education no longer has any reasonable relationship to career duration. In conjunction with this severe criticism the council made the recommendation that study be generally limited to a maximum of 4 years and 3 months by means of a so-called "planned study period." Within this period, it must be possible to attain a professional degree including examinations. On Tuesday in Bonn, the chairman of the council presented corresponding "Recommendations for the Structure of University Study" to academics as well as to national and state representatives.

According to the report, in 1983 the total number of semesters of study completed before the degree examination averaged 11.0 in business and social sciences and 12.8 in mathematics, natural sciences, and medicine. This means, according to the report, that in no field of study were fewer than 5 and 1/2 years spent in technical studies. In chemistry, due to the fact that it is not the diploma examination but rather only the professional degree which is being considered, the average duration of study is actually 19 semesters. A chemist would thus normally finish his studies at the age of 31. In this respect, the FRG differs significantly from other industrialized countries such as France, Britain, the Netherlands, and the United States. In those countries, compulsory limits on the duration of study for universities and students are a matter of course.

The Academic Council recommends such regulation for the FRG too. Under the heading "Four Plus," in the approximately 130-page critical analysis, it states that the study offerings in every field must be so structured in the future that a student could complete his first degree within 4 years. Only in exceptional cases could this limit be exceeded by a maximum of 3 months. The universities would be responsible for making this possible.

For the universities, according to the opinion of the council, whose recommendations were presented by its chairman Heinz Heckhausen, director of the Max-Planck-Institute for Psychological Research in Munich, a new orientation of their offerings is absolutely essential. In the future academic reasons must not be the sole measure for determining the duration of studies. They would have the tendency, as a rule, to lengthen the period of study. It is now much more a question of an "academically politic decision." The predominant question in the future should be "Which academic material is important enough to be covered in the predetermined, limited period of study?" This would also imply a "weeding out" of too much specialized material from general studies.

Specialized Study Without Academic Degrees

The new structure of studies, according to the Academic Council, must also lead to a clearer definition of previously miscellaneous and overlapping functions of universities. Only after the professional degree should students be introduced to studies which direct them into specific fields of activity. This ought to take place in specialized studies which, as a rule, should not last more than 1 year or an absolute maximum of 2 years. They ought to be open to only a limited number of general studies graduates. For admission, the time that the individual student took to complete his prior studies would have to be a decisive factor. However, generally speaking, no further academic degree would be granted, but rather participation would be recognized by a certificate. Additionally, for doctoral candidates "graduate schools" and national "graduate courses" ought to be established to allow the new generation of scholars a maximum of 3 years of "participation in thematically circumscribed research groups." Furthermore, according to the Academic Council, the universities must devote themselves more than previously to continuing education in order to take the load off of the general studies program.

The recommendations of the Academic Council met sharp criticism from the education and science union. Executive board member Gerd Koehler called them "disappointing." He claims that, based on numerous correct assessments, "only inadequate or wrong conclusion were drawn." The structural problems of universities and the poor professional prospects of their graduates cannot be dealt with through "headlong design tinkering."

Dorothee Wilms: The Right Way

Federal Minister for Education and Science Dorothee Wilms (CDU) welcomed the recommendations as "the right way" to shorten university studies. Through a reasonably formulated 4-year initial period of study with a combination of theory and practice and an additional research-oriented training stage for graduates, an "appropriate design" would be given to the new educational mission of the universities. The minister pointed out the fact that the nation and the states had unanimously approved the recommendations. The national government has offered to undertake research for the states on models primarily for the design of the specialized training of graduates.

12666
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POLITICAL GREECE

COUNTRY SEEN IDEOLOGICALLY IN SOVIET INFLUENCE SPHERE

Athens EMBISTEYTIKO GRAMMA in Greece 12 Mar 86 pp 3-4

/Text/ Moderate government ministers are admitting that the announcement for a developmental policy will never be made because Premier Papandreou does not want to add extra elements to the program he has started on foreign issues capable of providing PASOK's leftist wing with additional arguments. On the other hand, while many indications make clearer the government's intention to stabilize the Greek polisition in the Western Alliance complex and the EEC, many believe the government's pro-Soviet rhetoric, as well as that of the pro-government press, will rise in a way much more effective than in the past.

From this point of view, it is characteristic that the Gorbachev letter to Papandreou was promoted by the government press while the Soviet foreign policy positions were directly and indirectly projected by the pro-government press. According to diplomatic circles in Athens, the recent visit of American officials in Greece make evident the attempted upgrading of relations between Greece and the U.S. But, while these visits take away many weapons from the government's ideological arsenal, they also create the need for a more intensive pro-Soviet rhetoric.

The Soviets, therefore, could not imagine, even in their most optimistic assessments, such an achievement in Greece. On the other hand, it is for this reason that Soviet practical foreign policy toward Greece is negative, when compared with their policy in other cases. It is pointed out that the Soviet Union, knowing full well its ideological suzerainty in the Greek political and social life and, therefore, considering as a fact the Greek ideological Finlandization, does not want to further provoke the West and for this reason it is especially careful in its actions toward Greece--several times such actions have been negative.

One can conclude, therefore, that Greek foreign policy agrees with the Soviet policy without deriving any real and practical diplomatic benefit, while, contrarily, the Soviet Union, without granting any concessions dangerous to the geopolitical balance in the Balkans, has an unexpected ally--for its assessments--within the Western Alliance. At the same time, Greece is also the only Western country where Soviet active measures are implemented with exceptional success--a fact ~~which is very easily confirmed by reading the~~ pro-government press.

In this context, many Western observers are wondering what the final ending will be of this paradoxical dimension of Greek foreign policy which, because of its irrational character, worries even the Soviets themselves.

Under such conditions Greek-Soviet diplomatic relations are of exceptional interest for further analysis, say local Western diplomatic circles, because in practice Greek follows--not wholeheartedly--a pro-Western policy while ideologically it is clearly placed in the Soviet sphere of influence, a fact which serves much better the goals of Soviet foreign policy.

As a recent report of the British Foreign Office points out, the Soviet Union does not want, at this phase of the geopolitical situation in Western Europe, to extend its geographical influence. But it desires to win ideological friends and allies who will be contributing in two ways to it: First, they will promote slogans and proposals which will serve international relations of the USSR and will weaken ideologically the Western allied complex and, secondly, they will create problems in the functioning of the Western defense alliance so as to jeopardize or delay the adoption of vital decisions.

From this point of view, the achievements of Soviet strategy in this sector are particularly positive in both the level of government rhetoric and that of public opinion. Thus, as the municipal election polls, as well as those conducted independently by EURODIM show, Greece is the most anti-Western country of...Western Europe. It is also the only EEC country which, with an overwhelming majority (64 percent), considers the Soviet Union as its friend--while in fact it is its objective enemy--and believes that the U.S. is its enemy--while in fact it is its ally.

7520
CSO: 3521/103

ALBANIAN INTELLIGENCE STRUCTURES; ACTIVITIES IN GREECE

Athens I VRADYNI TIS KYRIAKIS in Greek 16 Mar 86 p 17

[Article by P. Kasimatis: "Albanian Agents' Activities in Athens"]

[Text] The dark Citroen abruptly brakes in front of the stranger strolling by the Kakavia guardhouse. The driver speaks broken Greek and is careful to convey his instructions quickly... A Fiat and a small closed van--which also bore standard license plate numbers--were spotted later in Delvinaki, close to the Greek-Albanian border. The cars' passengers were higher ranking members of the Albanian embassy diplomatic staff who were meeting trusted men in deserted places to instruct them on sabotaging a demonstration by northern Epirotes.

It was dusk, on 13 February. A few days ago...

The KYP's [Central Intelligence Service] border officials had been informed. Local authorities, which discreetly avoided interfering, had also been alerted.

The "Three Days Of Mourning" for northern Epirus proclaimed by Metropolitan Bishop Sevastianos did finally get organized despite the difficulties but, on the other hand, the men of the "Sigurimi"--the Tirana secret service--rubbed their hands with satisfaction because they had singled out many people.

Albanian agents are scouring Greece, they organize spy networks and collect information about the nation.

Structure

Today the "V.T.K" [VRADYNI TIS KYRIAKIS] discloses for the first time the structure of the Tirana Secret Intelligence Service and the activities of the "Sigurimi."

The building which houses the services of the "Sigurimi" is at the end of Iskender Bey street, right by the "Lenin" Hotel in Tirana. It consists of the following sections:

.The Directorate of the Ministry of Foreign Affairs which assigns, suspends and transfers members of the diplomatic staff in embassies abroad.

.The Directorate of the Ministry of Culture and Education.

.The Directorate of Communications. This service is in charge of listening in on telephone calls and controlling telegrams and mail. The censorship committee also holds its meetings in this service.

.The Directorate of Transportation.

.The Directorate of border forces.

.The Directorate of Security which is in direct contact with the Directorate of the Ministry of Culture and Education.

.The service in charge of analyzing information and

.The "Sigurimi" central directorate which is under the direct jurisdiction of Albania's present secretary general, Ramiz Alia.

According to accurate information, the Ministry of the Interior and the "Sigurimi" which has very extensive powers are responsible for Albania's internal security. A relevant document mentions: "All information regarding the security of the regime and every contact in the nation with foreigners or individuals of another ethnic background or nationality ends there.

Welcome committees in Albania's border posts, escorts who meet Greek groups in Albania, hotel employees, waiters, drivers of means of transportation are 'Sigurimi' agents."

Harila Kola, the first secretary of the Albanian embassy who was arrested in Ioannina and expelled, recently played a paramount role in Greece.

It was on Christmas eve that Kola parked his dark grey Mercedes close to the house he had rented in Ioannina. Two men he had met twice previously were waiting for him there. One of them was a contact. The other one was a "northern Epirote" who was to give interesting information. The raid of the men of the 2nd counterintelligence section of the KYP took the first secretary of the Albanian embassy by surprise and they collected from the table all they could find:

.A pad with names and information on how many are favorably inclined toward the regime.

.Notes that filled a whole notebook.

.A list of classified military information.

The "northern Epirote," as was disclosed later, was a KYP agent who had infiltrated Kola's organization in Northern Greece.

Harila Kola, together with the Albanian consul Nikola Ziou, both of them eminent members of the "Sigurimi," had created the networks of Thessaloniki, Igoumenitsa and Ioannina. They failed to establish organizations in Larissa and Agrinion, while in Athens they made appointments in offices on Patission, Panepistimiou and Akadimias streets. Formerly, Kola's position was held by Justin Papageorgi who left the country when the "Sigurimi" realized that he had become known to the counterintelligence section of the KYP. Papageorgi travelled often to Ioannina and Corfu and had generated suspicion. As soon as he left, he was assigned to the Ministry of Foreign Affairs in Tirana, to the Directorate of Political Affairs for Greece.

Ropi Kita, a member of the embassy and of the "Sigurimi," was expelled in 1983. He had organized the most extensive network of agents in Attica, particularly in Aspropyrgos and Markopoulo.

According to information, Albanians have their eye on the wealth of northern Epirotes in Greece and are attempting to create an "Albanian minority" in the nation by making those who speak Albanian appear as "Albanian." They also claim Greek territories as Albanian, providing Greek libraries, through a well known professor, with books and magazines!

12278
CSO: 3521/113

LOW LEVEL OF NATIONAL EDUCATION, DEVELOPMENT LAMENTED

Athens TO VIMA in Greek 16 Mar 86 p 15

[Article by Nikos Dimou: "The Empty Glass"]

[Excerpts] We are agreed: the same glass, half-full of water, is seen by the pessimist as half-empty while the optimist regards it as half-full.

But what happens of the glass is completely empty?

In this case, there is no margin for interpretations and psychological tendencies. We can be sure of one thing: we shall be thirsty!

Ladies and gentlemen, the glass is empty!! It is dry. And what is worse, no one knows how to fill it. The drought is certain, beyond every kind of optimism or pessimism.

I am referring to the condition of the country. I am very much afraid that no one has realized how rapidly we are falling (it is quite natural: we close our eyes when we are falling down!).

Can you show me one significant sector of our lives where things are going well? The economy? Education? Management? Health? Culture?

We have neglected knowledge. And its lack is our first and fundamental problem.

Let us say we are "stabilizing" our economy. Let us say we can find investments. Who will implement them? Who will design products, who will plan for the needed services? We do not even know how to take advantage of foreign products. We order a computer (an excellent foreign technological achievement) and the people who are selling it or who install it or who monitor it are not even aware of the instructions in the liberature that comes with it!

I see no solution, other than a miracle or a revolution. We are so far behind in knowledge--and the chasm is growing larger every day--that I am also closing my eyes, not to see how fast we are falling.

Meanwhile, the institutions of higher learning have become branches of the various parties. Instead of science, they offer ideology. But ideologies have never built anything, they have only caused catastrophes.

The glass is empty. I mean the glass of knowledge. And when this glass is drained to the bottom, hopes for the future are very thin indeed. In order to put out a huge fire [the Salonica JET OIL fire] we had to bring "experts" from abroad. Already, we have recourse to foreigners for every difficult job. And then, we talk of "national independence"!

This is where the game is played, and this is where it is lost. We can bring machines and equipment in a second. But knowledge requires time to accumulate and be applied. When, at the present time (oh immortal Greek trade-unionism!) teachers are increasingly less qualified, how shall we create better scientists? Decades are needed to upgrade education.

Meanwhile, the train (that well-known train) has left and its lights can no longer be seen on the horizon. Run after it? How? With what?

I have no hope to offer, neither do I have a solution. No one cares. We only sing slogans.

Because the most tragic, the destroying aspect is not that we have lost the train. It is that we do not care! If we did, we would do something. But we are indifferent, and we only care about today; as for tomorrow, God will provide.... Greece is having fun, and it is managing through loans. Borrowed money, borrowed knowledge. But how long can a country live on expediency?

/8918
CSO: 3521/120

POLITICAL GREECE

BRIEFS

SIGNIFICANT LIBYAN PRESENCE--According to our reports from Italy, a few days ago the Italian police arrested Giussepe Frank, a non-commissioned infantry officer and Paolo Rezio, an entrepreneur, whom it charged with selling documents to Libya containing information on the Italian missile base at Komiso, Sicily. Italian police authorities say that Paolo Rezio had also made several trips to Greece where he had contacts with agents of the Qadhdhafi regime. Thus, views are expressed that it is possible for Greece to be part of a broader network of providing information to Libya which, as is known, is closely cooperating with the USSR. In this context, diplomatic circles point out Libya's participation in several enterpreses in Greece as is also the case with Italy. They point out, moreover, that such participation may provide Libya not only with technology but also with the means of reaching "know-how" sources. Finally, we point out that Libya's diplomatic presence in Greece is exceptionally impressive and the number of Libyan diplomats in Greece is greater than the number of American and Soviet diplomats combined. /Text/ /Athens EMBISTEVTIKO GRAMMA in Greek 12 Mar 86 p 7/ 7520

USSR'S DESIRE: CONTINUED PASOK GOVERNMENT--Papandreou always seeks a dialogue after the fact, according to communist Left cadres who become confused by the premier's "openings" in all directions. Thus, they say, Andreas Papandreou never asks for a dialogue before he imposes measures concerning, for instance, the economy, the electoral system, Article 4, or even TV. "The premier remembers the dialogue each time he finds himself cornered," they told us. Leftist political leaders believe that under such conditions KKE will not be enticed by the premier's proposals except if the USSR makes particular recommendations to him, especially following the recent visit to Moscow by Akis Tsokhatzopoulos. According to our reports, Moscow wants to help PASOK remain in power even if this means a shrinking of KKE. It is therefore conjectured that, for reasons of "higher pressure," KKE will once more undertake cooperation which for it is negative. /Text/ /Athens EMBISTEVTIKO GRAMMA in Greek 12 Mar 86 p 1/ 7520

CSO: 3521/103

MILITARY CONTROL OF SIRP WORRIES PS

Lisbon O JORNAL in Portuguese 14 Mar 86 p 2

[Text] The fact that military personnel predominate in the intelligence service bodies and that the post of secretary general of the Technical Commission of the Higher Intelligence Council is held by an operational expert in the field, in this instance Gen Pedro Cardoso, instead of a jurist, were among the concerns voiced by the representatives of the PS who met with Cavaco Silva for an hour and a half on Wednesday.

Three departments are included in the Intelligence System of the Portuguese Republic (SIRP). They are the Military Intelligence Service (SIM), the Strategic Defense Intelligence Service (SIED), and the Security Intelligence Service (SIS), the best known of all of them because it is the only one authorized to provide information for the purpose of safeguarding domestic security.

Secretary General Pedro Cardoso

Pedro Cardoso was chief of the Army General Staff and for a time commanded the 2nd Division, the unit responsible for military intelligence. It is precisely because he is an intelligence expert that these comments have been made in connection with his appointment to the post of secretary general of the Technical Commission of the Higher Council. In practice, he could become a veritable intelligence "boss." This post may prove important because it could also be decisive in the adaptation of the military intelligence services to the new structure.

To date, because of the lack of intelligence bodies, it has been the second divisions of the general staffs which have produced the information used, for example, in combating terrorism. There are those who fear that this propensity of the military services for dealing with intelligence related to domestic security will not be gradually eliminated, and might even be nurtured by a secretary general who is a military officer and an expert in this field.

The Socialist Party would view a judge holding this post and serving as the conscience of the system with greater sympathy.

Security Law

The government is expected to begin hearing the opinions of the opposition parties on its draft security law next week, O JORNAL has learned. It is expected that the government proposal will not include most of the articles in the old law which, although it won general approval, were the subject of polemic arguments. Measures such as the monitoring of correspondence and the tapping of telephones will not, in principle, be dealt with in the new proposal.

5157
CSO: 3542/75

POLITICAL PORTUGAL

GAMA SEEN AWAITING CHANCE FOR PS LEADERSHIP

Lisbon EXPRESSO in Portuguese 22 Mar 86 p 3

[Article by Jose Antonio Saraiva: "The Struggle in the PS"]

[Text] There are apparently two armies confronting each other within the PS. One is headed by Almeida Santos, who devoted a significant portion of his career to being Mario Soares' right arm; the other is symbolized by Vitor Constancio. Constancio and Almeida Santos are two fundamentally different individuals. One is an economist of note, of whom little is known, however, in the political field; the other is a brilliant lawyer and an indefatigable legislator with superior political experience.

The personalities behind these men are also different.

Behind Constancio there are men who were always known as intelligent, but who rarely took politics very seriously, to the point that some of them were never full-time politicians; behind Almeida Santos there are professional politicians, who made politics their career, and who, for this reason, have resolved to fight to the end for their positions.

The outcome of the battle is unknown.

Will the PS militants opt for the "renewal of the party," deciding to give it a "new image" (symbolized by Constancio and the group to which he belongs, who always nourished some reservations vis-a-vis Mario Soares), or, on the contrary, will they choose to support those who, for better or for worse, always stood by the side of the former secretary general?

Will the PS militants choose what, after all is said and done, they do not know very well (symbolized by Constancio) or will they opt for what, in the view of some, they know only too well (which is embodied by Almeida Santos)?

No one knows.

But, no matter what the choice will be, it is possible to predict one thing: being the first, this struggle will not end the war.

With Soares' departure, the PS will probably experience a crisis similar to the one that occurred within the CDS after Freitas do Amaral's exit, or even similar to the one within the PSD after Sa Carneiro's death.

In the socialists' future, nothing can be considered definite.

Whether victory goes to Constancio or whether it is won by Almeida Santos, the succession problem cannot be considered closed.

Victor Constancio will meet with many difficulties in governing the PS against the "professional politicians," who have taken hold of the party's apparatus.

As for Almeida Santos, he will probably be unable to head the party without the coorperation of the "technocrats" represented by Constancio.

Thus, the task of mutual attrition now started by the two sides will not be resolved in the congress of the party, but will extend beyond it.

And who will be the winner?

In the midst of all this, there is one man who is not accepting the challenge of an open war and who is doing what he has always done: he is waiting to see.

His name is Jaime Gama.

Letting others present him as an alternative, he is not getting involved in the fight.

Sharp and astute, he is perhaps the most political of the three, since he has no technical pretensions like Constancio, nor does he conduct other activities alongside politics, like Almeida Santos.

He is biding his time.

In the belief that, sooner or later, the party will fall into his hands.

/8918
CSO: 3542/81

FOREIGN MINISTER WEIGHS NATO POLL RESULTS

PM041353 Madrid CAMBIO 16 in Spanish 24 Mar 86 pp 28-29

[Interview with Spanish Foreign Minister Francisco Fernandez Ordonez by Jose Manuel Arija; date and place not given]

[Excerpt] [Arija] What did European ministers say to you when you informed them of the referendum result?

[Fernandez Ordonez] I started telephoning all my European and U.S. counterparts at 2030 hours. The fact is that I did not dare call them earlier. I remember that when I told Lord Carrington that the margin was at that time 5 percent in favor he replied: "That's a lot." Apart from that there were all kinds of comments and reactions. Genscher was celebrating his wife's saint's day--all of them gave me not only their official telephone number but the number wherever they happened to be--and Genscher replied to me: "I could not be going to Salamanca a happier man: It is the best news you could have given me."

[Arija] Had you already decided to telephone them all?

[Fernandez Ordonez] Yes, because we had been talking about nothing else for the past 7 months. It was obsessive. It gives an indication of the extent to which the eyes of the whole world--I mean the whole world--were upon us. One can imagine what would have happened if the referendum had gone the other way.

[Arija] But now that it is over, did you not exaggerate the dangers we faced; did you not frighten the voters excessively?

[Fernandez Ordonez] I do not believe we exaggerated at all in the anxiety that we conveyed to the citizens. My impression is that in the end we all breathed a sigh of relief, including many of those who voted "no."

[Arija] Everyone is saying that now nothing will be as it was before. How will present differ from former foreign policy?

[Fernandez Ordonez] I believe that the change now will lie in the fact that solid foundations have been laid for the whole area covered by our peace and security policy. From my own experience I can say that we have hitherto maintained independent stances in favor of detente--for instance in our line on Helsinki, with regard to Nicaragua, Contadora, or by withdrawing our ambassador from the Philippines before any other country in the world, when the U.S. Government still held an ambiguous position.

In other words, Spain has asserted a voice of its own in foreign policy which will now be more consolidated because we are in our rightful place, which grants us greater scope and leeway in the international arena.

[Arija] What is the substance of the offer made to the other parliamentary groups of a consensus on foreign policy?

[Fernandez Ordonez] I believe that the prime minister was referring to the fact that the policy of peace and security received virtually a total consensus in the 27 December parliamentary vote [for Spain to stay in NATO], which has now been ratified by the people's vote.

[Arija] But how is it to be achieved in practice? By means of a new parliamentary session?

[Fernandez Ordonez] In my opinion I do not believe there is any need for further parliamentary sessions apart from those that have already been held. Basically it would be a matter of completing the cycle of a process that produced the result that it did on 12 March. But that is a matter for the prime minister to decide. Basically, now that the referendum is over, if we eliminate all the domestic political incrustations that surrounded the debate, what we will be left with is the consensus that emerged in December.

[Arija] Unless there is another debate in parliament, will the political leaders be summoned to the Moncloa Palace [prime minister's office] or how will the accord be achieved?

[Fernandez Ordonez] That is a decision for the prime minister to make. I will not venture an opinion but I do believe that the country has had enough debates on this subject.

[Arija] The joint talks with the Americans to discuss the presence of their troops in Spain were suspended pending the referendum result. What will happen now?

[Fernandez Ordonez] At the second meeting a document was signed in which the United States accepts the general blueprint for troop reduction. We will meet again in May, examine Spain's position within the general picture of overall security and our position within the Atlantic alliance and, having done that, take the next step.

[Arija] What is the next step?

[Fernandez Ordonez] To study specifically what is to be done with each of the bases and in each instance with regard to the American military presence.

[Arija] What else?

[Fernandez Ordonez] Listen, it would be unwise to anticipate anything now. But I will tell you that all the referendum pledges will be honored. Our desire is to hold several technical meetings after May and to reach an agreement in midsummer.

[Arija] Are there any disagreements between the Foreign and Defense Ministries, as was previously the case?

[Fernandez Ordonez] I can tell you that there is not the least discrepancy between the Defense and Foreign Ministries' stances. We are working very closely together on everything to do with the alliance and the business with the Americans. This unity grants us an extremely firm position.

[Arija] Minister, will the Torrejon and Zaragoza bases be closed?

[Fernandez Ordonez] Pardon me, but I cannot be any more explicit. What I would add is that the reduction of the U.S. military presence will not be a merely cosmetic operation. This is our resolute intention.

[Arija] In other words, some of their military bases will close.

[Fernandez Ordonez] We are not going to rule out anything in advance, and the reduction will be a real one. There will be a reallocation of the tasks of Spanish defense, because we will be negotiating on the basis of Spain's interests, not of some kind of cheap demagoguery.

[Arija] So there will be a reduction not only of troops but of installations too.

[Fernandez Ordonez] We will analyze the issue in its entirety. You see, since the bases were created world strategy has changed, weapons have changed, the international political situation has changed with the Reagan-Gorbachev dialogue. Everything has a new dimension and the analyses cannot be of the kind conducted at a petty level. The entire redefinition must be carried out with a sense of balance.

[Arija] How does the Gibraltar question stand after the referendum?

[Fernandez Ordonez] The day after the referendum I sent a letter to the Atlantic Council in which I stated verbatim that "my government stands resolutely and unwaveringly by Spain's claim to sovereignty over Gibraltar." In other words, the reservation that was not expressed when Spain joined the Atlantic alliance has now been asserted. And this is very important.

[Arija] But what importance does this reservation have now?

[Fernandez Ordonez] Of course it carries no legal weight, as a reservation. But in all the 16 letters sent by the defense minister and the 16 that I have sent we have mentioned the subject of Gibraltar. Look, it is so obvious that we can get along better with an allied and friendly country beside us within the alliance and the EEC that it is not worth discussing. What we wanted to point out in the letters is that we have a colony on our own territory and that we will definitely not abandon the issue.

[Arija] Now that our alliance membership has been confirmed will Ceuta and Melilla be better protected?

[Fernandez Ordonez] What is clear is that Spain is no longer alone from the viewpoint of its defense and security. The king of Morocco has never spoken in terms of adopting a decision of a violent nature or anything of that kind. So I rule out the real possibility of an attack, but in the absurd hypothesis of something like that happening we are unquestionaly part of an alliance which, in the event of an attack on one of its members, would engage in a round of consultations, and we would be better protected than before.

[Arija] One other point: Will the treaty on the nonproliferation of nuclear weapons be signed?

[Fernandez Ordonez] Irrespective of the decision reached on the nonproliferation treaty, Spain will undoubtedly align with nuclear nonproliferation stances, to which it has already committed itself within the context of political cooperation with the EEC countries. Spain will proceed clearly along this line, irrespective of the treaty which, as everyone knows, is primarily of symbolic importance.

[Arija] The Popular Alliance has stated that since it does not regard the referendum as binding, Spain's membership of NATO's military structure could be negotiated.

[Fernandez Ordonez] That is something that the Popular Alliance has said and it is a matter that they would have to tackle if they were to win the elections. But as long as this government remains it will consider itself morally and politically bound by the referendum, so we will not be raising this question. But if the Popular Alliance is so enthusiastic about joining the military structure, if and when they come to power they may discover to their great surprise that, despite their anxiety to join the military structure, others will not allow them to do so because it may not be in their interests.

[Arija] How will the a la carte menu for NATO membership mentioned by Lord Carrington be negotiated now?

[Fernandez Ordonez] Not much can be anticipated because this is a joint task for the Defense and Foreign Ministries, to establish the technical parameters of what we might in general terms call Spain's outlines. Though this may seem paradoxical, Spain's major task within the Atlantic alliance is the defense of our territory. It may happen occasionally that technical or intelligence tasks will arise.

[Arija] Mr Ordonez, why is there such evident anti-Americanism in part of Spanish society?

[Fernandez Ordonez] It is very strange because this is a country where [U.S.] music, drinks, movies, now hamburgers, literature, and so forth are more popular than in other countries. In fact we are even the country that sends most of its children to study in the United States. We are greatly influenced by American culture so I regard artificial anti-Americanism as absurd. But that does not mean that we must agree with its foreign policy. If anyone has disagreed with that policy it is I--and this has nothing to do with anti-Americanism.

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CSO: 3548/38

GUERRA DISCUSSES POST-REFERENDUM POLICY

Madrid TIEMPO in Spanish 17 Mar 86 pp 15-18

[Interview with Vice-President Alfonso Guerra by Nativel Preciado; date, time, and place not given]

[Excerpts] The "yes" vote prevailed. The first one to know it was Alfonso Guerra. At 2200 hours the night of 12 March, another date that will go down in history, the vice-president of the government was bursting with satisfaction. His overwhelming election campaign, which had been planned at Moncloa, had worked. Alfonso Guerra became a formidable thinking machine, and spent weeks holed up in his office, plugged into his telephone and his computer.

[Question] The scare is over; you won the referendum.

[Answer] We did not win the referendum ourselves; the Spanish people won it, having understood that the question posed by the government was in the best interests of the nation.

[Question] To what do you attribute the miracle of the affirmative victory?

[Answer] To the common sense of the Spanish citizenry, although I must undoubtedly add that the effort of the Socialists, sympathizers and independents who have supported the government's proposal, contributed significantly to the campaign.

[Question] Was it difficult for you to abandon your old dreams?

[Answer] The truth is that it has not been easy to do away with our symbols (the flag, the form of government, Marxism), but we have been adapting, and the result is very satisfying. That has been the price of democracy and liberty.

[Question] The most agonizing debate has perhaps been the one revolving around NATO.

[Answer] The same as the others. For me, it has been easy to deal with, for a very simple reason: I use the truth. In 1981 we said: We should not join

NATO, but we were brought into it. In 1986 we have said: We should remain in NATO.

[Question] Do you acknowledge that this government was really taking a chance on 12 March?

[Answer] Not at all. Here the Spanish defense system was running a risk. And Fraga took a risk, because his position was not understood by either his constituents or by the European right. Fraga was taken to the cleaners by the same bunch that danced on the grave of the Democratic Center Union (UCD) and now want to dump the Popular Coalition.

[Question] What do you think now of the pacifists who voted "no"? Do you think they have been hopelessly naive?

[Answer] Absolutely not. I empathize with their position because, among other reasons, I am as pacifistic as anyone. I don't like Reagan's policy in Central America or the military blockades either, but I am convinced that I can contribute more to peace if I respect the equilibrium between the two blocs. What I do regret is that politics makes such strange bedfellows, and in fact it has pained me to see honorable pacifists voting along with the Brotherhood of Former Combatants and Herri Batasuna.

[Question] These comparisons are hateful, Mr. Vice-President.

[Answer] I do not want to be aggressive, but these progressive-minded pacifist movements sometimes devote very little time to documentation. Their political motivations respond to emotion, not reason. The current situation in Spain could not be better for any European pacifist or ecological movement. The Greenpeace types have come to Palomares and have been welcomed by everyone. There is a huge difference between us and other countries that chase them away at gunpoint and sink their ships.

[Question] After all, we will have to thank our lucky stars if the current situation in NATO stays the same: We have no nuclear weapons, we do not belong to the military structure, and there may be a reduction of U.S. troops.

[Answer] Who can doubt that? That is what the Spanish people voted for in the referendum; therefore, it is untouchable.

[Question] Many people do doubt it, because few trust the Americans to respect our decisions.

[Answer] It is totally crazy to say that. They have to respect them. We have been in this situation for 4 years, and no one has imposed anything on us.

[Question] There is a lot of mistrust in Spain, and a certain anti-Americanism. How long will we be able to remain without nuclear weapons?

[Answer] There will be no nuclear weapons here. I know that there is anti-American sentiment in Spain. There is an explanation for it. The Atlantic

Alliance was formed by the allies to save the peoples of Europe from Hitler and Mussolini. When an Italian democrat saw the Americans coming to liberate him, he jumped for joy. In Spain that did not happen. Eisenhower lent important support to the dictatorship of Gen Franco. They did not come here to liberate us, but to support the dictatorship against Spanish democrats. That is why there is no love for them.

[Question] A lot of water has gone under the bridge since then.

[Answer] Popular sentiment builds up over a long time. History explains why we are different from the rest of Europe in many ways. In the area of pacifism, for example, there is a tendency to confuse ethics with esthetics. The Spanish pacifists have made mistakes with the Alliance.

[Question] You appear to be very sensitive to this issue.

[Answer] I am undoubtedly very interested in these international movements; they are the future.

[Question] Does it hurt you to think that the pacifists misunderstand you?

[Answer] Not at all. I know that there are those who honestly defend positions that are different from mine, but that does not mean they are no longer my friends. I have not had to wait until 13 March, until the storm passed, to resume my friendship with some pacifists. Dialectical combat is commendable; what I cannot accept is fraud and lies.

[Question] Getting back to the dirt that Tierno mentioned. You have said that this government has to get its hands dirty in order to effect change.

[Answer] I have said that we politicians who are trying to bring about a more just society must get our hands dirty to remove things. Planting rice is a necessity, and in order to plant rice you have to get muddy. Intellectuals, however, can remain in their ivory towers seeking the ideal without getting dirty.

[Question] Some intellectuals have come down out of the tower, although not all of them to defend the government's position.

[Answer] I am glad that everyone has gone to his own village. At any rate, there were very few signatures. The majority of intellectuals preferred to stay in their ivory towers. Thus, no matter what the results, their influence would not be weakened.

[Question] There has been a kind of witch-hunt regarding those signatures.

[Answer] Not at all. You are confusing the term; the witch-hunt was something else. People were looking out for themselves, and that seems legitimate to me.

[Question] Success, Mr Vice-President, is also difficult to assimilate. It will be hard to put up with a government which, in addition to the 10 million votes, considers this referendum a show of support for it.

[Answer] How absurd! I assure you that we are not going to tout this referendum as our own success; we will not even exploit it in the upcoming elections. Why do you say that so gratuitously?

[Question] Because people think that: The victory will make you even more arrogant.

[Answer] This business of arrogance is mentioned only by the opposition and the press. People do not say we are arrogant. My impression is that we are candid and hopelessly naive, and that we are not as vicious as we should be.

[Question] Nicolas Redondo says somewhat the same thing, and of course you have not said a word about his vote.

[Answer] I don't know how he voted, but Nicolas Redondo's attitude, although honest, has been mistaken. I think he will regret that he was not on top of things.

[Question] One last question, out of curiosity: Would you remain in a government without Felipe Gonzalez?

[Answer] No, not under any circumstances. I do not aspire to be president. My political ambitions are quite limited. Moreover, I have set a date for my resignation.

[Question] Do you want to tell me what it is?

[Answer] No, no one knows it but me.

8926
CSO: 3548/34

GONZALEZ' NATO STANCE CRITICIZED

PCE Advocates NATO Withdrawal

Madrid EL PAIS in Spanish 16 Mar 86 p 17

[Article by Juan G. Ibanez]

[Text] Madrid--The secretary general of the Spanish Communist Party (PCE), Gerardo Iglesias, yesterday publicly announced his party's willingness to draft a joint leftwing alternative program with all of the social and political groups that have supported withdrawal from NATO. Gerardo Iglesias indicated that the PCE is prepared to form electoral coalitions in all districts.

Iglesias voiced the view that the Civic Platform for Spain's Withdrawal from NATO should remain in existence to hold together the upcoming campaign calling for the dismantling of American military bases and the monitoring of compliance with the administration's proposed conditions for remaining in NATO.

"At next Tuesday's meeting we are not going to take any position in favor of something for which the Platform was not created," Iglesias added at a press conference. "It is another thing, though, if the groups that attend agree to establish some sort of cooperation and a political program that goes beyond the struggle for peace. The working class, the young people and the intellectuals who have joined together in the campaign for withdrawal from NATO have been crying out for such cooperation, and we want to facilitate it."

The Communist leader indicated that the results of the referendum have forced that PCE "to take another step" in its policy of convergence and, therefore, "we no longer speak of independents on PCE lists or of accords with two or three groups; rather, we speak of bringing together all groups that were involved in the campaign against NATO."

Iglesias asserted that he could not give further details and he declined to say whether his party would refrain from putting up its own candidates in congressional elections. He stated, however, that the PCE was prepared to run in an election coalition in all districts if such a coalition is formed.

Differences Can Be Overcome

The secretary general of the PCE indicated that the differences with Ignacio Gallego's Communist Party of the Peoples of Spain (PCPE) "can and must be resolved by their joining the PCE. And not one by one with membership cards in hand, as the PCPE has been saying, but rather with thoroughgoing generosity. Things are different with Carrillo (who heads the other Communist group, the Committee [Mesa] for the Unity of Communists)."

Nicolas Sartorius, the assistant secretary general of the PCE, interpreted the results of the referendum as a setback for a two-party system, "inasmuch as seven million Spaniards said no to Felipe Gonzalez and no to Fraga. Furthermore, we have to bear in mind that many voted yes while holding their noses or because Felipe Gonzalez had hinted: 'If the noes win, I'm leaving.'"

"In any event," Sartorius indicated, "we're not that naive as to think that all of the seven million no votes were from the Left, but a substantial number were cast by progressives." He later estimated that constituency at "two or three million voters."

Enrique Curiel, another assistant secretary general of the PCE, said: "When we called for the resignations of Calvino and Sopena, we weren't kidding. There cannot be a repeat of TVE's [Spanish Television] conduct. We cannot run in the general elections with the current management of TVE."

Socialist Left Supports PSOE

Madrid EL PAIS in Spanish 16 Mar p 17

[Text] Madrid--During a meeting yesterday in a Madrid hotel, the Federal Coordinating Board of Socialist Left (IS) resolved to carry the debate on the group's future to its rank and file throughout Spain. The IS yesterday ruled out in principle withdrawal from the PSOE.

The outcome of the discussions within provincial organizations will be analyzed at another meeting of the Federal Coordinating Board on 26 April. This is the deadline that has been set for consulting with the rank and file, ascertaining the results of the UGT [General Union of Workers] national congress and the talks with the PSOE leadership, specifically Organizational Secretary Txiki Benegas, and seeing how the party stands on the public disagreements within IS during the NATO campaign.

One of the upshots of the disagreement between the party leadership and the IS spokesmen could be that the members who hold public office will resign, the representatives of IS themselves announced yesterday.

It seems more likely that certain prominent IS members who hold posts in the party will resign, such as Pablo Castellano, who is the president of the Caceres group and a member of the Federal Committee.

NATO Debate Continues in Andalusia

Madrid EL PAIS in Spanish 18 Mar 86 p 14

[Article by Enrique Chueca]

[Text] Seville--The Communist Party of Andalusia seeks to bring together in its election coalition "Convocation for Andalusia" all of the progressive forces that voted no in the referendum on Spain's continued presence in NATO. Julio Anguita, the party's candidate for president of the Andalusia Board, yesterday issued a public appeal in Seville for a joint government program that "is in keeping with the no vote, with neutrality and with progress" as an alternative to Socialist policies.

Anguita said that he would step aside if the unified forces felt that another candidate was better qualified to run in the upcoming autonomous community elections.

Andalusian Communists also stated that they would not accept the consensus that Felipe Gonzalez' administration has proposed. The secretary general of the PCA, Felipe Alcaraz, has said that they are refusing because only the Right could accept such a consensus. "We want out of NATO, and thus the only possible consensus is with the progressives among the seven million who voted against remaining in the Atlantic Alliance." The PCA says that there are potentially some 800,000 such voters in Andalusia, "not counting the people who held their noses and voted yes."

With regional elections in the offing, Julio Anguita indicated that the Convocation for Andalusia remains in "its original state." Nevertheless, in light of the referendum, the PCA is "determined to bring together the progressive vote." In his opinion, the political picture has changed considerably, and the Communists are not going to be left behind in the popular outcry for unity.

Activism

Julio Anguita plans to ask the no voters to adopt an activist stance and to carry on the struggle to achieve other goals, such as cancellation of the agreement on U.S. bases, the creation of a commission to investigate the nuclear weapons situation in various areas of Spain, the immediate signing by the government of the Nuclear Nonproliferation Treaty, "withdrawal from the military committee" in NATO, and cutting military spending. The PCA yesterday announced upcoming rallies outside the Rota base.

The response of other groups to the PCA's offer was not long in coming. Yesterday, the Committee for the Unity of Communists, the Carrillo faction that split from the PCE, said no to participation in the Convocation for Andalusia. As far as the Committee is concerned, communist unity is predicated on the formation of a new group. Rafael Fernandez Pinar, who is seeking the group's nomination to run in the Andalusian elections, stated that the Civic Platform has done its job, and he therefore opposed turning it into an electoral platform "because it would be a mistake and an illusion to think that the entire no vote constituency could be capitalized on," the EFE agency reported.

The Andalucista Party (PA) has asserted that it will run in the autonomous community elections without leftwing, rightwing or centrist "deals." Luis Urunuela, the secretary general, argued that the PA is the only political choice for those who want to vote for Andalusia.

Separately, journalist Fernando Santiago Munoz, an official in the Cadiz Provincial Council [diputacion] and the editor of the monthly magazine ANDANA, which the council puts out, said yesterday that he had been fired as editor in reprisal for having signed two manifestos opposing Spain's continued membership in NATO.

The president of the council, Alfonso Perales, denied that he had fired anyone and described the allegation of a reprisal as "insane and preposterous." Perales admitted that he had "suggested" to the journalist that "as a public official" he refrain from using the magazine's name in public statements.

Anti-NATO Commission Organized

Madrid EL PAIS in Spanish 20 Mar 86 p 14

[Article by Juan Gonzalez Ibanez]

[Text] Madrid--The Civic Platform for Spain's Withdrawal from NATO has created a six-member commission to study the possibility of its continued existence as a "civic platform." The new platform would seek not only to promote the dismantling of the United States' joint-use military bases in Spain and to monitor the government's compliance with the conditions for remaining within the Atlantic Alliance, as approved at the referendum, but also to "defend civil liberties" and to criticize the administration's economic policies, according to several of the member groups, especially the PCE.

The main representatives of the political parties and organizations that belong to the Civic Platform for Spain's Withdrawal from NATO have put off for 2 weeks a final decision on the organization's future and on the creation of an electoral platform that would offer a leftist alternative to the PSOE. The postponement came on Tuesday night after views were exchanged and it was realized that 2 1/2 hours of talks were not enough to hammer out a consensus.

A six-member commission was charged with drafting a report that will make possible a final decision after the Holy Week vacation. The commission consists of Enrique Curiel (PCE), Alonso Puerta (PASOC), Juan Jose Rodriguez Ugarte (Justice and Peace), Humberto da Cruz (environmentalist movement), Antonio Elorza (professor) and Jaime Miralles (attorney). Since they were unable to put forth a specific proposal yesterday, those attending the meeting agreed to speak out against the administration's use of RTVE [Spanish Radio and Television] during the referendum campaign and against the "lack of parliamentary representation" for the seven million no voters.

At a news conference yesterday evening, most of the political groups represented (the PCE, PASOC, PC Marxist-Leninist and the Humanist Party) came out in favor of keeping the platform alive and even of expanding its goals, which until now have been limited to a security and foreign policy issue, the withdrawal from NATO. In any event, the platform will reportedly push the demand to dismantle the military bases that American troops use in Spain and to cancel the friendship and cooperation treaty with the United States.

Moral Support for Leftist Alternative

Ramon Tamames, the president of the Progressive Federation, said he favored reducing the platform to a follow-up commission that would monitor compliance with the administration's proposed conditions for remaining in NATO. Tamames remarked at the Tuesday evening meeting that his group would withdraw from the platform if it were to expand its activities.

Both Gerardo Iglesias and Alonso Puerta, and even representatives of social groups such as Juan Jose Rodriguez Ugarte from Justice and Peace, felt that the Civic Platform could serve as a "moral support" for the emergence of a leftwing alternative to the PSOE. The political groups that are prepared to form an election coalition would thus benefit from keeping alive the "pacifist reference point" that they feel the Civic Platform has represented. It could be kept alive by not turning it into an electoral platform.

Those who want to keep the platform alive and to expand its objectives intend to preserve a leading role for it, above and beyond the negotiations among parties to create a program and an election coalition. The new organization could be called the Civic Platform for Peace, Progress and Democracy or, simply, the Civic Platform. As part of such an effort, preparations are under way for a large-scale, festive homage to Antonio Gala in late May or early June.

Gala declared yesterday that now that the referendum has been held, his presidency (of the platform) has come to an end because the term is over, "not because I want to return to any ivory tower" inasmuch as he has always regarded literature as a form of communication. "I'm not as strong as a horse. I'm really exhausted. I overworked myself," the writer noted. "I can't tell whether I'll be in the hospital in 2 weeks," he went on to say, "but if the platform continues as a civic (nonelectoral) organization, I'll be solidly behind it."

Peace Group Criticizes Government

Madrid EL PAIS in Spanish 14 Mar 86 p 15

[Article by Rocio Garcia]

[Text] Madrid--The State Coordinating Board of Peace Organizations (CEOP) yesterday cautioned the government that it has no right to cite the yes votes in the referendum as support for its pro-NATO policy. In addition, henceforth the two anti-NATO groups, the CEOP and the Civic Platform for Withdrawal from NATO, will pursue different tacks. While the CEOP will seek to develop an organized peace movement and rules out any election bid, many of the members of the Civic Platform will try to put together a leftwing alternative for the upcoming elections.

In their last public appearance as such, the CEOP spokesmen said that it was impossible to support the administration's proposed policy of consensus, inasmuch as "it would mean betraying the seven million no voters."

The CEOP spokesmen, including Rafael Grasa, Carlos Otamendi, Antonio Escalante, Almudena Bergueria, Lucia Garcia and Agustin Moreno, all criticized the campaign by the administration and the PSOE and their use of the mass media.

Agustin Moreno from the CCOO [Workers Commissions] said that Socialist leaders had waged a "politically reactionary and ethically immoral" campaign, adding that the administration ought to strike the word ethics from its vocabulary.

Carlos Otamendi said that the administration had vitiated the referendum by playing on voter fears.

In Otamendi's opinion, many citizens who voted yes did not say yes to NATO; they voted for security for Spain as a result of a campaign of lies and blackmail.

The CEOP leaders indicated that recent political developments in Spain have strengthened the peace movement and they announced that they would focus their campaigns henceforth on preventing renewal of the bilateral agreement with the United States and would continue their struggle against military spending, the blocs and NATO and in favor of neutrality. They also indicated that they would demand strict compliance with the three conditions in the preamble to the referendum question and the signing of the Nuclear Nonproliferation Treaty, which "the administration has weaseled out of" in Almudena Bergueria's opinion. In this regard, Rafael Grasa wondered about the "future of Spain's military liaison in the NATO military command and its presence in the military committee and in the defense planning committee, neither of which France belongs to."

PCE Meeting

The Executive Committee of the PCE meets today to analyze the results of the referendum. As Andreu Claret, a member of the committee, indicated yesterday, one of the issues that the PCE will look into will be TVE's coverage of the campaign and "the need to democratize it, which means changes in its management." Gerardo Iglesias, the secretary general of the PCE, called for the resignation of the TVE management on Wednesday.

With regard to the leftwing alternative advocated by representatives of the Civic Platform for Withdrawal from NATO (Ramon Tamames, Alonso Puerta and Iglesias), after hearing the results of the referendum, Claret indicated that the Executive Committee would study the PCE's proposals "to help lend continuity to the momentum that the Civic Platform has created during this campaign, by extending its efforts to other areas such as civil liberties and economic and social policy."

According to Claret, the PCE is prepared to broach the matter with "the utmost generosity, renouncing any sort of cliquishness or leading role." The outcome of the referendum, with close to seven million no votes, has substantially altered the political picture, in particular on the Left, in Claret's opinion. "Nothing will be the same after the referendum," said the Communist spokesman.

Carlos Otamendi said yesterday that the peace movement would never become a specific electoral option, because that would mean its dismemberment. According to Otamendi, "the CEOP cannot turn into an election platform with a view towards the 1986 general elections. There is no way to transform an organized peace movement into a political platform. The movement is very diverse, and this is both its major advantage and its main limitation."

Breakup of the Movement

"The CEOP has succeeded in bringing together hundreds of groups and thousands of peace activists of Christian, anarchist, democratic and environmentalist persuasions," Otamendi added.

"Personally," Otamendi acknowledged, "I think that such a transformation would be a big mistake. It would entail a breakup of the peace movement and of its diversity. No one can lay claim to the peace movement's political capital. This is an issue that I have thought through completely. We have to keep our heads about us and realize that it would be very dangerous. I'm not ruling out that some people might risk such a move, but I of course realize very clearly that it would be a big mistake."

8743
CSO: 3548/33

POLITICAL SWEDEN

PREVIOUS CABINET POSTS PROVIDE GOOD PREPARATION FOR CARLSSON

Stockholm DAGENS NYHETER in Swedish 13 Mar 86 p 2

[Commentary by Olof Kleberg: "The New Prime Minister--Schoolmaster for all Sweden?"]

[Text] We have a new prime minister. Thanks to "yes" votes by the Social Democrats and Communists. The nonsocialists abstained, just as they did when the Social Democrats returned to power in 1982, thereby probably establishing a practice that the Social Democrats may follow once they are back in the opposition.

Abstentions simply mean acceptance of the parliamentary situation. And that situation is now as clear as glass.

Will the Social Democrats wind up in the opposition again? Yes, of course. Parliament is essentially just as evenly divided as it was before, despite the current broad sympathy for a party that has lost its leader. And that is what the new prime minister must base his actions on as he shapes a responsible and long-term government policy that will continue the fight against skewed balances in the economy and distortions in the balance of power in terms of the union organizations. It will have to be a policy that does not increase antagonisms with other parties.

The realization that control of the government is no longer an eternal fact of life is probably beginning slowly to grow within the Social Democratic Party. It is perhaps a pious hope that that realization has grown strong enough to permit a realistic opposition policy the next time around. With Ingvar Carlsson, the Social Democrats have a chance to break free of obstacles both between them and other parties and within the party itself.

There are many indications that Ingvar Carlsson may be a competent prime minister. He seems to have an aptitude for coordination, the overall view, and problem solving. Like Olof Palme, he also enjoys broad support within the party--not as devoted but more homely in tone.

There are two question marks, however. Will Ingvar Carlsson be able to arouse as much enthusiasm in party sympathizers at election time as Olof Palme did?

Hardly. On the other hand, his strength may lie in his ability to also get the unsaved to listen. They were not reached by Palme.

Another uncertainty has to do with Carlsson's toughness. Will he be able to stand up to pressures from every strong group and resist demands to refrain from disagreeable measures? That is where his capabilities will be put to the test as early as this spring.

For several years it was said that Ingvar Carlsson was an exceptional case in his multifaceted role as minister of data processing, research, future studies, environment, and other things. In fact, it may be that he has gained a special strength from that circumstance. For 4 years, he has been able to view party politics more or less from above and has strengthened his ability to take the overall view.

He has long pondered the Social Democratic Party's role in Sweden. As far back as the mid-1970's, he and Anne-Marie Lindgren published a book entitled "What is Social Democracy?" Being explanatory rather than agitatorial, it was scarcely a current-day counterpart to August Palm's "What do the Social Democrats Want?"

Even though it was Anne-Marie Lindgren, then his information secretary, who did most of the writing for that and later editions, Ingvar Carlsson was actively involved in the brainwork behind the book.

In it we see the pragmatic, reasoning Social Democrat with clear opinions and principles but one who is not totally locked into previously designed solutions--in the public sector, for example. In it we find reasoning that later came to be part of what was in any case a tentative policy of innovation.

Can Carlsson innovate? Is it not true that his new way of thinking, which produced results in the party's emergency program and ideological program, toes the line quite closely? Not according to those who know him. He himself chose to devote himself to future studies and to tackle the Social Democratic Party's image as a party as stiff as concrete.

And like Tage Erlander, he has the ability to listen to many people and gather information and facts before making up his mind. That can be useful--as long as the information gathered is not filtered beforehand, as was true during the nuclear power years, when Ingvar Carlsson bore a large share of responsibility. His growing interest in the prospects for the environment and survival may be an indication that he has broadened his listening range. And with decentralist Bo Toresson as party secretary, the Social Democratic Party is suddenly facing the possibility of a new orientation.

11798
CSO: 3650/155

FOREIGN POLICY DEBATE CHARACTERIZED BY UNUSUAL HARMONY

Bildt Cautions on Soviet Ties

Stockholm DAGENS NYHETER in Swedish 20 Mar 86 p 8

[Article by Magdalena Ribbing and Sven Svensson: "Foreign Policy Debate Amicable"]

[Text] The Riksdag foreign policy debate on Wednesday was characterized by broad agreement and amicable exchanges. Foreign Minister Sten Andersson was praised for his willingness to cooperate, demonstrated among other things by the way in which he ended on the spot a longstanding dispute with the Conservatives over wording.

Does Sweden have a "strong defense" or a "relatively strong defense in view of our situation"? The Conservative Party's foreign policy expert, Carl Bildt, maintained that defense was stronger in the past and that the phrase "in view of our situation" created uncertainty and confusion. It differs from earlier statements by the foreign minister, he said.

Foreign Minister Andersson did not intend to be drawn into a dispute about words, he said.

"For the sake of unity I am prepared to use the phrase 'a strong defense' in the future, so we don't need to argue about it."

Bildt Satisfied

Carl Bildt was understandably quite satisfied with this obliging attitude. He had started off his speech with some remarks about Olof Palme, with whom he has fought some hard duels in Riksdag:

"Olof Palme gave our foreign policy and our international conduct his own unique color and tone which we disagreed with at times but which were always visible and audible in a way that we and many others will miss. Of course foreign policy will remain unchanged and of course the work will continue--but it will never be the same."

Relations with the Soviet Union are important, Carl Bildt said, but they are not decisive:

"We must never create the impression that we are a nation by virtue of the grace of the Soviet Union."

Liberal Ingemar Eliasson, second vice chairman of his party, also noted that the choice of words in the foreign policy debate is milder than it used to be and he said that was to Sten Andersson's credit. Ingemar Eliasson asked Sten Andersson what he meant by saying that respect was being shown for Sweden's determination to use all the means at its disposal to combat violations of our territory. Sten Andersson explained:

"Representatives of various nations have indicated their respect, although the reports from the Supreme Commander of the Armed Forces [OB] indicate that not all countries were exhibiting this respect in practice. But respect has been shown for our resolve and determination."

Submarines

The OB's reports were brought up in the foreign policy debate. In a newspaper article Social Democrat Sture Ericson had questioned the propriety of the OB's reports on probable submarine violations: "This reinforces the impression that Sweden is vulnerable to pressures from the East," Sture Ericson said. He was attacked by several people for this in Wednesday's debate but he defended himself by saying that the OB's oracular reports, as he described them, created an overdramatized impression. Although the government had asked the OB to submit these reports, their form should be reviewed, in the opinion of Sture Ericson.

Center Party leader Karin Soder, who like Sten Andersson and Left-Communist Party [VPK] leader Lars Werner wore the clearly antiracist "Don't Touch My Pal" button, repeated her party's proposal for a United Nations university for human rights and democracy. She also wanted to create better conditions for children in wartime--make children a protected zone, as she put it.

Soviet Trip

Several speakers brought up Prime Minister Ingvar Carlsson's trip to the Soviet Union next month. VPK leader Lars Werner wanted Ingvar Carlsson to create clarity on the Soviet Union's position concerning a Nordic nuclear-free zone. Are earlier positive tones still valid and can additional commitments be obtained? Lars Werner asked.

In the negotiations on Baltic Sea boundaries VPK supports the standpoint that the midline halfway between Gotland and the Baltic mainland should be the boundary, Lars Werner stressed.

Sten Andersson said that the agreement among political parties on these negotiations had strengthened Sweden's position. The Foreign Policy Committee will be informed of what has happened and it will also discuss Ingvar Carlsson's trip and receive a briefing on it. Ingemar Eliasson wanted a travel agenda to be presented to Riksdag, but this was not forthcoming. Sten Andersson thought there were better places for a report of this kind.

Carl Bildt also thought the prime minister's trip to the Soviet Union was a good idea, but it will not mean any changes in our foreign policy, he said.

"It would also be meaningful if the prime minister could visit Washington, Bonn, London, Paris, Copenhagen and Helsinki."

The speakers agreed on condemning the Soviet incursions in Afghanistan and the reprehensible apartheid regime in South Africa and they supported the five continent initiative calling on the leaders of the superpowers to halt nuclear testing until the next summit meeting has been held and felt that world developments should lead to the strengthening of democracy and a reduction in the arms race.

Working in Palme's Spirit

"It is the Swedish government's imperative obligation to work tirelessly in the spirit of Olof Palme to implement efforts aimed at international arms control," Foreign Minister Sten Andersson said in Wednesday's foreign policy statement.

"We must also work energetically to defend the right of Sweden and other small countries to shape their own future without foreign intervention," said Sten Andersson.

"We are reminded daily of the increasing violence in the world," the declaration continued.

"Combating terrorism and eliminating it in the long run is one of the most important challenges facing the international community today. At the same time we intend to avoid taking steps in the name of security that will lead to restrictions on our open democratic society. That would mean giving in to violence," said Sten Andersson in this section, which had a direct link with the murder of Olof Palme.

Sharper Language

The foreign policy statement was generally in line with last year's statement and with the government declaration that was issued when Ingvar Carlsson became prime minister. The language is sharper on some points.

In recent years Northern Europe and the North Atlantic have been the subject of mounting interest on the part of the military alliances. This development calls for increased alertness, Sten Andersson stressed. It must be in the interests of the superpowers to preserve the Nordic region as a low-tension area through such means as exercising restraint in military dispositions.

Nuclear-Free Zone

The work to set up a Nordic nuclear-free zone should continue with the aim of reaching agreement on the basic elements of a zone arrangement. The obvious starting point for this is respect for the right of each Nordic country to decide for itself which policy best serves international interests.

These remarks represent a softening compared to last year's declaration. It stated that Sweden was prepared to enter into concrete discussions of a zone arrangement with the other Nordic countries.

"It is a strength of Sweden's security policy that an open and democratic debate can be reconciled with broad agreement on the basic elements of Sweden's neutrality policy," this year's declaration continues. "The policy of neutrality must be characterized by consistency, firmness and continuity and it must be backed up by a strong defense in terms of our situation."

Respect

"We will never tolerate violations of our territory," the text continues. "We are strengthening our ability to combat them. The Swedish measures and our resolve and determination have been met with respect from other countries," said Sten Andersson, following corrections in the printed text.

The last declaration said that Sweden did not and would not hesitate to use force against any foreign intruder. At the same time it stressed that resources to detect assailants were being stepped up rapidly.

Olof Palme's last government declaration from October 1985 said of the submarine violations that respect was being created for "our determination to defend the territory of our nation with all the means currently available to us." In his government declaration Ingvar Carlsson simply stressed that the government was firmly resolved to defend our nation's territory with all the means available to us.

Soviet Union and the United States

This year's government declaration said that the government wants good stable relations with the Soviet Union. "At the same time we are calling for respect for Sweden's neutrality policy and the rules of international law governing relations between states. We will try to solve problems through a constructive dialogue."

The last foreign policy declaration said that Sweden calls for respect for the fundamental principles of international law, which must be adhered to if small states are to live in safety behind secure national boundaries.

The government took a stronger stand against the war in Afghanistan than it has in the past. "We support the efforts of the United Nations to find a negotiated settlement," it said. The main elements in such a solution must include a withdrawal of Soviet forces and recognition of the right of the Afghan people to determine their own form of government.

Criticism of the U.S. intervention in Central America was also sharper. Negotiations between the warring factions in El Salvador should be resumed. The American support of armed groups waging war against the legal government of Nicaragua must come to an end. It is in conflict with international law and makes peace efforts more difficult, according to the foreign policy declaration.

Paper Lauds Unity

Stockholm DAGENS NYHETER in Swedish 20 Mar 86 p 2

[Editorial: "Optimism Keynote of Debate"]

[Text] Wednesday's foreign policy debate was one of the most optimistic in recent history. The optimistic keynote in Riksdag a few days after Olof Palme's funeral may seem paradoxical. But the major speakers for the various parties were apparently determined not to break the spirit of harmony that has prevailed since the prime minister's death. It seemed natural for them to stress in his spirit the possibilities rather than the difficulties inherent in international efforts.

The changes in the Philippines and in Haiti along with the resumption of the dialogue between the superpowers were cited as evidence that developments were heading in the right direction. No one is yet prepared to draw pessimistic conclusions about the lack of progress that has characterized Soviet-American relations since last fall's summit meeting in Geneva.

It is not a very bold guess to say that the international atmosphere influences the Swedish debate. But if one looks at the foreign policy debates during the internationally tense first half of the 1980's, the picture is uneven. On some occasions peace prevailed. At other times, in 1982 (the election year) and especially in 1983, Palme launched sharp attacks against the Conservatives; on the second occasion he called them a security risk for security policy.

In 1984 Palme stayed away and the result was a tame debate between the opposition and then Foreign Minister Bodstrom about the invitation to the Soviet agricultural minister to visit Sweden. Palme's absence was infectious. Last year neither Falldin nor Adelsohn took part in the traditional big introductory round. This year Westerberg and Adelsohn were missing. The foreign policy debates are losing their old character of party manifestations at the highest level.

The feeling that they may have outlived their days of glory may also have something to do with the fact that last year's debate was the culmination of Olof Palme's heavyhanded lecturing of his security policy opponents. This occurred when he moved to confront the Conservatives at a late stage and stated in a subsequent article that it was no longer possible to talk of any basic agreement on Swedish security policy among the parties in Riksdag.

But this denunciation had no real consequences in an election year and gradually newly-appointed Foreign Minister Sten Andersson with his talk of consensus showed that a new era had begun.

The fact that there is presently a truce among the Riksdag parties does not mean that there is silence on the subject of security policy throughout the country. This year's foreign policy debate was preceded by protests from military officers. The majority of our military leaders agreed that confidence in our ability to deal with security policy has been shaken.

The chief of the Navy noted that he was not being given the resources he needs as a professional to carry out the intentions of the state authorities. Other countries are disturbed that we are unable to deal with border violations and that we are deflecting our resources and enlarging the threat instead. The leader of the Liberal Party has been accused of using "extreme language" in calling for a democratic development in the East. So we could certainly have a serious debate in Riksdag!

But we should not castigate the Foreign Ministry for a lack of controversial material in this year's government declaration. It is hardly elegant but it is strikingly concise and clear. Afghanistan, Central America and the Middle East are all discussed more concretely than in the past. It is stated quite clearly that the demand for respect for Sweden's neutrality policy and for international law must be addressed with increased emphasis to the Soviet Union.

As a gesture to Conservative Carl Bildt, the foreign minister agreed in the debate to stop using the old phrase about a "strong defense in view of our situation." From now on it will simply be "strong," although that hardly indicates unanimity among members of the Defense Committee. Social Democrat Sture Ericsson recently provoked nonsocialists by accusing the Supreme Commander's submarine reports of helping to cast doubt on our security policy.

It is true that significant differences could be detected, especially between the Conservatives and the Social Democrats, on such matters as the work for a democratic development in countries receiving Swedish aid. But this was a day for the Conservatives to rejoice that Sten Andersson "unhesitatingly" placed Sweden in the camp of the western tradition of freedom. When we note that Bildt found positive elements in Gorbachev's arms control initiatives and conceded the value of international sanctions against South Africa, it is easy to understand that the debate was a peaceful one.

It is the positive aspects that dominate the picture, Carl Bildt said at the conclusion of his main address. That is the way they wanted it in Sweden's parliament on Wednesday.

6578
CSO: 3650/162

POLL COMPANY DIRECTOR ON LATEST OPINION MEASUREMENTS

Stockholm DAGENS NYHETER in Swedish 20 Mar 86 p 8

[Article by Sven Svensson and Bjorn Anderberg. "Nonsocialist Voters' Forgetfulness Makes Poll Results Unreliable"]

[Text] Not all nonsocialist voters will remember how they voted in the 1985 election during the many party shifts toward the end of the campaign. This means that the voter barometer will be less reliable than it has been in the past.

This point was made by Hans Zetterberg, head of the Swedish Institute for Public Opinion Polls [SIFO] in an article in a journal on opinion surveys that is published by the Research Council.

Zetterberg referred to the increased vote for the Liberal Party in 1985. In the 1982 election the Liberals received 5.9 percent of the votes. In the polls SIFO conducted at the end of the campaign, the number of voters who said they had voted for the Liberals in 1982 correlated with the actual election results up until 28 August.

After that there was an increase. In the period 1-3 September, 8.3 percent said they voted for the Liberals in 1982 and 8.1 percent said they would vote for the Liberals in the 1985 election.

From 4 to 6 September, 7.6 percent said they voted for the Liberals in 1982 and 9.7 percent said they would vote for the Liberals in 1985. From 7 to 9 September, 7.7 percent said they voted for the Liberals in 1982 and 11.0 percent said they would do so in 1985. From 10 to 12 September, the percentage of those who believed they had voted for the Liberals in 1982 rose to 8.7 percent while 10.3 percent indicated their intention to vote for the Liberals in 1985. Two days before the election, on 13 and 14 September, 9.3 percent said they voted for the Liberals in the 1982 election and 15.5 percent said they would vote for the Liberals in 1985.

The voter barometer is adjusted with respect to how voters said they voted in the last election.

Hans Zetterberg's conclusion is that in many cases nonsocialist voters will not remember how they voted in 1985.

Using the information supplied by nonsocialist voters in the next election will simply mean having all the polls end up close to the level of the election results, Zetterberg said. In other words, no changes will be detected.

If one refrains from trying to "stabilize" the sample and/or making calculations utilizing information as to how respondents voted in previous elections there is less risk of systematic error, but the margin of error will be greater, Zetterberg said.

Nonsocialist Slant

Assistant Professor Soren Holmberg, a political scientist from Goteborg who has made several postelection analyses, said in another article in the same publication that SIFO's questions and its interpretations of responses have a generally nonsocialist bias. Soren Holmberg viewed this as a special problem. He thought this could be offset if the various branches of the labor movement started ordering or personally conducting open opinion polls on political issues.

In the controversy with Soren Holmberg, the head of SIFO told a press conference that the criticism is misdirected.

"After every SIFO poll is released, each change in the electorate that is detrimental to the Social Democrats is commented on in editorials in the nonsocialist press. These newspapers and not SIFO are responsible for the nonsocialist slant," said Hans Zetterberg.

Soren Holmberg also said that we do not have nearly enough opinion surveys in Sweden.

"More institutes and more surveys would take care of the tendency of politicians and journalists to take the few polls we have as gospel truth instead of contributions to the political debate," said Soren Holmberg.

6578
CSO: 3650/162

BRIEFS

WEST GERMAN NEW SIPRI DIRECTOR--The government has now officially appointed Walther Stuetzle to be the new head and director of the Stockholm International Peace Research Institute (SIPRI). Stuetzle, who is West German, will head SIPRI for 5 years and will take office on 1 October, but will begin planning and practical preliminary work at the institute as early as 1 May. Walther Stuetzle, who is succeeding Frank Blackaby, is 45 years old and has a doctorate in international politics. He is coming to SIPRI from the STUTTGARTER ZEITUNG, where he was a writer on security policy and defense matters. Before that, Stuetzle was chief of planning and under secretary of state in the West German Ministry of Defense. [Text] [Stockholm DAGENS NYHETER in Swedish 13 Mar 86 p 8] 11798

CSO: 3650/155

TURKISH COMMUNISTS GREET 17TH CPCZ CONGRESS

TA261127 (Clandestine) Voice of the Turkish Communist Party in Turkish
0500 GMT 26 Mar 86

[Message from Turkish Communist Party Central Committee General Secretary Haydar Kutlu to the 17th CPCZ Congress on 24 March]

[Text] Dear delegates, on behalf of the Turkish Communist Party [TCP] Central Committee, Turkish Communists, and the working class in our country, I greet the 17th Congress of the CPCZ [Czechoslovak Communist Party] with fervor. I believe that this congress will be a significant cornerstone in further enhancing the economic and technical potential of the CSSR, reinforcing its international prestige, and further improving the living conditions of the toilers. On the basis of the successful implementation of the 16th congress resolutions, we, Turkish Communists, are convinced that the Czechoslovak Communists will also successfully realize the goals of the 17th congress.

All your achievements and gains are a source of strength and inspiration for Turkish Communists, who are waging their struggle under extremely difficult conditions. The TCP highly esteems the close friendship between the brotherly CPCZ and the party and country of Lenin. Our party, together with the CSSR and other socialist countries, supports the Soviet efforts to protect world peace, prevent the militarization of space, halt the arms race, and eliminate nuclear and chemical weapons. The proposal submitted to the FRG by socialist Czechoslovakia and its neighbor the GDR to create a region free of chemical weapons is a concrete example of the uninterrupted efforts toward this end.

Dear delegates, under conditions of illegal and continuous attack, the TCP is waging a struggle to prevent Turkey from becoming a tool of war for U.S. imperialism, and to attain the democracy our people have been yearning for. Our party will continue [word indistinct] to work for the development of the relations between our country and socialist Czechoslovakia on the basis of peaceful coexistence and mutual benefit. The TCP views its relations with the CPCZ, which are developing and gaining strength on the basis of the principles of Marxism-Leninism and proletarian internationalism, as a valuable advantage. The TCP wishes the 17th CPCZ Congress great success in its deliberations. Long live the CPCZ. Long live Marxism-Leninism and proletarian internationalism.

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CSO: 3554/29

AIR FORCE DOUBLES NUMBER OF PILOT TRAINEES

Copenhagen BERLINGSKE TIDENDE in Danish 17 Mar 86 p 7

[Article by Nils Eric Boesgaard: "Number of Pilot Trainees in Air Force Doubled; Necessary If It Is to Continue to Be Possible to Keep Fighter Squadrons Flying"]

[Text] The air force has almost doubled the number of pilot trainees in order to bring the number of fighter pilots up to full strength as quickly as possible, Defense Ministry Assistant Secretary Ole Buch reports.

An increase of 16 fighter pilots from school in the USA is expected at the end of the year, but this will far from be able to remedy the shortage which has arisen as a result of the flight to civilian airlines.

The ministry does not want to report how many pilots left the air force in the past year, but 24 have resigned since the new year.

"At the end of February representatives of the Defense Ministry made the rounds of all air stations in order to discuss the situation thoroughly with the pilots. During these meetings many things came out from which we could see absolutely that there were conditions which could be improved," Ole Buch says.

"We hope that through cooperation between all parties we will succeed in managing and controlling the resignation of pilots from the air force. In this connection it must be remembered that the Education Ministry has submitted a bill concerning a training program for civilian pilots, which we hope will take some of the pressure off the air force."

"At the same time we are working on a structure change based on a form of reserve service or muster system. We already have an arrangement with some SAS pilots, who are being used by the army's units as air liaison officers and forward air controllers, who are to see to communications between land and air forces in a war situation. Finally, we are studying to what extent it will be possible to offer recently resigned fighter pilots reserve service so that they could help us to ride out the storm."

8831
CSO: 3613/89

MILITARY FINLAND

FORCES CHIEF COMPLAINS OF DIFFICULTY FILLING CIVILIAN JOBS

Helsinki HUFVUDSTADSBLADET in Swedish 27 Feb 86 p 8

[Article by Marit Ingves]

[Text] The commander in chief of the Defense Forces, General Jaakko Valtanen, complains that there are those who would rather be unemployed than work for the Defense Forces. "We have jobs, but we have not been able to attract people," he said yesterday at a luncheon with political reporters.

The third parliamentary defense commission estimated that the Defense Forces were short nearly 5,000 persons. According to its report, there was a plan to hire 1,500 civilians--a plan that never materialized.

"In today's situation, we are being forced to train conscripts as drivers at a time when there are many people out in civilian life who could do the same job."

According to Valtanen, the same is true in the case of warehousemen.

On the other hand, problems arise in recruiting specialists such as engineers because in their case, the Defense Forces are forced to compete to a greater extent with other workplaces where the pay is higher.

"The organization of the Defense Forces is currently under review, and there will be some changes as a result. But this is the last time we can do this," said Valtanen. "If the personnel shortage is not remedied, we will be forced to revise the duties of the Defense Forces."

According to Valtanen, there are no estimates as to how quickly the Defense Forces could hire civilians or how many it could hire, but he said the hiring could not take place all at once.

He said: "But the jobs are there--it would not cost anything to create them. So it is simply a question of wage costs, which come to between 72,000 and 80,000 markkas for each new hire."

Negative Attitude

According to Valtanen, the primary reason why so few civilians are employed by the Defense Forces is not the lack of money but attitudes.

This is something he has tried to work on during his term as commander in chief of the Defense Forces.

He said: "People believe that we are a tool for war. But there are other conditions besides peace and nuclear war," and he talked about something he called "controlling a crisis situation."

He said: "That might be a situation in which talk and diplomacy alone are not enough and in which soldiers might also be needed--a small-scale mobilization to guard our land areas and ensure that they are not used for military purposes.

"Even if there is not a full-fledged war--but only a kind of war in which shots may be fired--we must be able to guard our territory, otherwise we will lose what our successful security policy has given us."

Basic Rights

Valtanen has brought up the question of government services in times of crisis on several occasions, but says he has not tried to influence work on the emergency preparedness law--a law on which no progress has been made for a long time. It is a law that the leftwing parties have tried to link with a reform of the law on the state of war.

Opponents have felt that that law violates the basic rights of citizens.

Valtanen has no objection to changing the law and feels that rights should be safeguarded for as long as possible--but there should be a law making it possible to take steps in certain exceptional situations.

Valtanen also feels that during the current debate on compulsory military service, people have completely forgotten that the right to say no to civilian service should also mean that people also have the right to say no to other duties imposed on them by society.

The commander in chief of the Defense Forces also commented on the recent appointments in the Defense Forces and especially the decision by the two generals to resign before reaching retirement age.

According to Valtanen, Major General Uolevi Anthoni's resignation came as a complete surprise to him, whereas Major General Erkki Laatikainen had announced his resignation long before.

Valtanen said he was surprised at Anthoni's reaction, which he believed was due to Anthoni's assumption that he was the obvious candidate for the post of military director of finance, a job that went to Colonel Raimo Pentti.

"I would like to have seen Anthoni stay on. There was nothing to prevent him from doing so," said Valtanen, who denied that the decisions to resign were a symptom of poor interpersonal relations within the top military leadership.

11798
CSO: 3650/155

MILITARY GREECE

BRIEFS

COOPERATION WITH EGYPT--We are informed from the premier's environment that, within the context of the recent agreement Premier A. Papandreou signed in Egypt for Greek-Egyptian cooperation in the war industry sector, the purchase of technology from Israel will play a significant role. We have also learned that two large Israeli companies, which are collaborating unofficially in this sector, have shown interest in the establishment of a common three-country enterprise whose objective will be research and development of original technology in both the industrial and military sectors. [Text] [Athens EMBISTEYTIKO GRAMMA in Greek 15 Mar 86 p 7] 7520

CSO 3521/103

GOVERNMENT EXPECTED TO APPROVE ANTIAIRCRAFT EXPORTS

Stockholm SVENSKA DAGBLADET in Swedish 20 Feb 86 Sect III p 1

[Article by Erik Liden]

[Text] SVENSKA DAGBLADET has learned that, in a meeting held today, the government is expected to approve a major order received by Bofors. Despite previous concerns and canceled permits, Bofors will now be able to export missiles and other antiaircraft materiel to Pakistan and Indonesia.

During numerous debates in parliament, Foreign Trade Minister Mats Hellstrom has said that civil conflicts in East Timor made it impossible to issue new export permits, but that the delivery of previous orders would be considered on a case-by-case basis.

Pakistan is now purchasing the antiaircraft missile "70" and radar equipment for 700 million kronor. Indonesia is purchasing antiaircraft artillery for ships at a cost of 250 million kronor. It is purchasing both 40-mm and 57-mm antiaircraft guns.

Bofors' share in the missile order is worth 460 million kronor and Ericsson's radar system is worth 235 million kronor to Ericsson Radio Systems in Molndal.

Many Doubtful

On Wednesday the export application from Bofors was approved by the parliamentary commission that deals with arms exports. Center Party representative Karin Soder raised certain objections against Indonesia during a voice vote. Social Democratic members Sven Andersson, Sture Ericson, and Barbro Evermo were also concerned by the Indonesian order. The Conservative Party was represented on the commission by former chairman of the Defense Committee Per Petersson and the Liberal Party by Jan-Erik Wikstrom. A formal decision will be made at a cabinet meeting on Thursday.

Pakistan, which has long purchased weapons from Sweden, will now be allowed to make more purchases because of the principle whereby Sweden attempts to treat Pakistan and India equally when the two countries are at peace. Such is the case today, as demonstrated in New Delhi when Prime Minister Rajiv Gandhi embraced his counterpart, President Zia ul-Haq from Pakistan.

Permit Lifted

In the spring of 1985, Pakistan received preliminary approval for the purchase of missiles from Sweden, but the permit was lifted when a preliminary investigation of Bofors indicated that the firm had smuggled the missile "70" to Bahrain and other countries. The order included 144 missile "70" units with sights, simulators, and at least 400 missiles. They are now basically ready for delivery from the electronics workshops in Karlskoga.

While several political youth groups and the Swedish Peace and Arbitration Association continued to protest against arms sales to India, Pakistan, and Indonesia, India will announce within several days whether Bofors or the French company Giat will receive an order for 400 howitzer 77 artillery pieces worth 8.3 billion kronor. In April Canada will decide whether it will purchase the missile "70" and 40-mm antiaircraft guns worth 4 billion kronor from Bofors or from the Swiss firm Oerlikon. If all these orders should go to Bofors, then the jobs situation at the weapons plant in Karlskoga will improve considerably.

9336
CSO: 3650/148

LARGE SCALE EXERCISE TO TEST AIR ATTACK ALERT SYSTEM

Stockholm DAGENS NYHETER in Swedish 1 Mar 86 p 39

[Article: "Giant Exercise Tests Air Alert System"]

[Text] On Monday sirens will wail from the rooftops throughout a large section of the country. At that time, the Civil Defense will conduct the largest air attack alert exercise in Sweden to date. Hundreds of extra employees that have been called up and thousands of schoolchildren in Sweden will participate in the exercise.

"It is the name day of Gunborg on Monday and Gunborg is also the name of the large-scale alarm exercise on that same day," said Harry Taquist of the Civil Defense Commander's Office in Stockholm, where the entire exercise is being coordinated.

Trial Run

The alarm is an important part of the Civil Defense system. If the public is to utilize the country's almost 60,000 shelters, then a warning must be given before an air attack occurs.

There is much work to be done before the Civil Defense sirens on the rooftops send out the alarm.

Both personnel and technology are severely tested. This is why we need a realistic trial run, according to Taquist.

About 50 command centers are manned by just over 250 Civil Defense workers who have been called up by the county governments.

When enemy planes are discovered, they are observed by the Air Force. Personnel at their air defense centers report to command centers out in the municipalities.

The exercise includes the command centers in Stockholm, Uppsala, Sodermanland, Ostergotland, Vastmanland, Orebro, and Kopparberg Counties and in parts of Jonkoping, Kalmar, and Gavleborg Counties.

Alarm Units

Monday 3 March is also the next regular test day for Civil Defense alarm units throughout the country. They are tested on the first Monday that is not a holiday in March, June, September, and December.

In the past, the "air attack" signal has been sent. This time the new alarm signal will be sent, meaning "important message--turn on your radio!" It is actually intended for emergency situations in a war, but can also be used for peacetime emergencies, to warn the public about a leak from a chemical plant, for example.

The Civil Defense Board will complete the test, which will take place at 1500, by listening to all sirens in Stockholm, Uppsala, Gavleborg, Sodermanland, Kopparberg, and Vastmanland Counties. This will be done with the help of 1,000 schoolchildren. In addition to increased knowledge about the Civil Defense system, the pupils will also receive a small sum of money for their participation.

9336
CSO: 3650/148

PAPER URGES CONTINUING MILITARY AVIATION INDUSTRY AFTER JAS

Stockholm SVENSKA DAGBLADET in Swedish 16 Feb 86 p 2

[Editorial: "Flying is Necessary"]

[Text] Last week a full-scale model of the new Swedish military plane JAS-39 Gripen was presented. According to the plans, the first prototype will be test-flown next year and during the early 1990's the fighter-bomber version should begin to replace the corresponding part of the Viggen system.

The successful completion of the JAS project is of decisive significance for the Swedish military. During the 1980's, in the wake of the submarine intrusions, the importance of strengthening our antisubmarine defenses has been stressed--and rightly so. The decline of our antisubmarine capacity during the 1970's had extremely unfortunate consequences. It is now necessary to repair the results of our previous neglect.

While the navy must be given significantly greater resources, however, this must not mean that new gaps appear in other branches of the service. This is particularly true of the Air Force. A strong Air Force is of vital importance to an advanced industrialize state such as Sweden, with the populace and social functions concentrated in a small number of centers. Our invasion defenses also demand a strong Air Force that is ready to fight on short notice.

The structure of the Swedish military during and after World War II has also been characterized by a strong investment in the Air Force. When World War II began, there were painfully obvious shortcomings in the Swedish Air Force. There were few planes and the ones we had were semimodern, at best. Sweden would hardly have had a chance in the air if we had become involved in a major conflict. It also proved difficult to modernize the Air Force through purchases from abroad.

These painful experiences were the basis for the construction of our domestic air defense industry. Even during the war years, we managed to produce our own fighters and bombers. In the decades following the war, this wartime effort was continued. Sweden created an Air Force that was inferior to none, apart from those of the superpowers. With few exceptions, our Air Force was based on domestically produced planes.

There is no comparable state that has even come close to this performance. During the fifties there was a series of planes from the Saab production lines and engines produced on license by Volvo Flygmotor. We had the Tunnan, the Lansen, the Draken, and in the sixties we had the Viggen. That was an impressive demonstration of a practical policy of neutrality. The Swedish Air Force and the Swedish military aircraft industry created respect throughout the world for our security policy.

In later years we mismanaged these great national resources. The Viggen project was completed, to be sure, but the number of units was reduced. When the antidefense forces within the Social Democratic Party, led by Maj Britt Theorin, went on the attack during the 1970's, the Air Force was their first target. Among other things, this resulted in the remarkable manner in which the Social Democrats treated the JAS project and, for a time, it threatened the existence of our domestic aircraft industry.

The result of the Swedish defense policy of the past 15 years has been that the Swedish Air Force has been reduced by half. The relative strength that this branch of the service still possesses is the result of investments several decades ago. With today's allocations, the Air Force will continue to become weaker.

Breaking this trend is of vital importance to the future security policy of Sweden. The present size of the Air Force must be considered a minimum level. Resources must be made available so that the JAS can replace the Viggen and Draken plane for plane.

In addition, new trainers and light attack planes must be replaced during the 1990's, as the SK 60's must be retired. With today's allocations, it will be impossible to arm the trainers of the future. Such a trend would weaken our attack capacity perceptibly and, consequently, would be unacceptable.

The Swedish aircraft industry has been a success. Our planes have maintained a high standard and have been comparable to those of the superpowers. Many countries that are not superpowers have attempted to create their own aircraft industry, but the difficulties have been enormous. Israel may be succeeding, with massive American assistance. Israel's advanced new plane, the Lavi, will be test-flown this year.

There is no reason to write off Swedish development of military planes after the JAS. What Sweden should do, instead, is to look for suitable partners for both the JAS and other new projects. We certainly do not have so many national resources that we should unnecessarily discontinue a successful and high-technology branch of industry that is of great significance in defending our country.

9336
CSO: 3650/148

MILITARY SWEDEN

FIBER OPTICS SENSOR EQUIPMENT DEVELOPED FOR SUB HUNTING

Stockholm NY TEKNIK in Swedish 12 Dec 85 p 46

[Article by Hans Werner]

[Text] Fiber optics technology has not been around long but it has now come so far that the Telecommunications Agency agreed last week to purchase cables worth close to 100 million kronor from the Ericsson concern. These lightweight fibers, which give a nongalvanic connection, provide an almost unlimited frequency range.

For the last half year a test of the first fiber optics TV cable network has been under way in Nacka. There subscribers can see a total of seven TV channels via the small fibers.

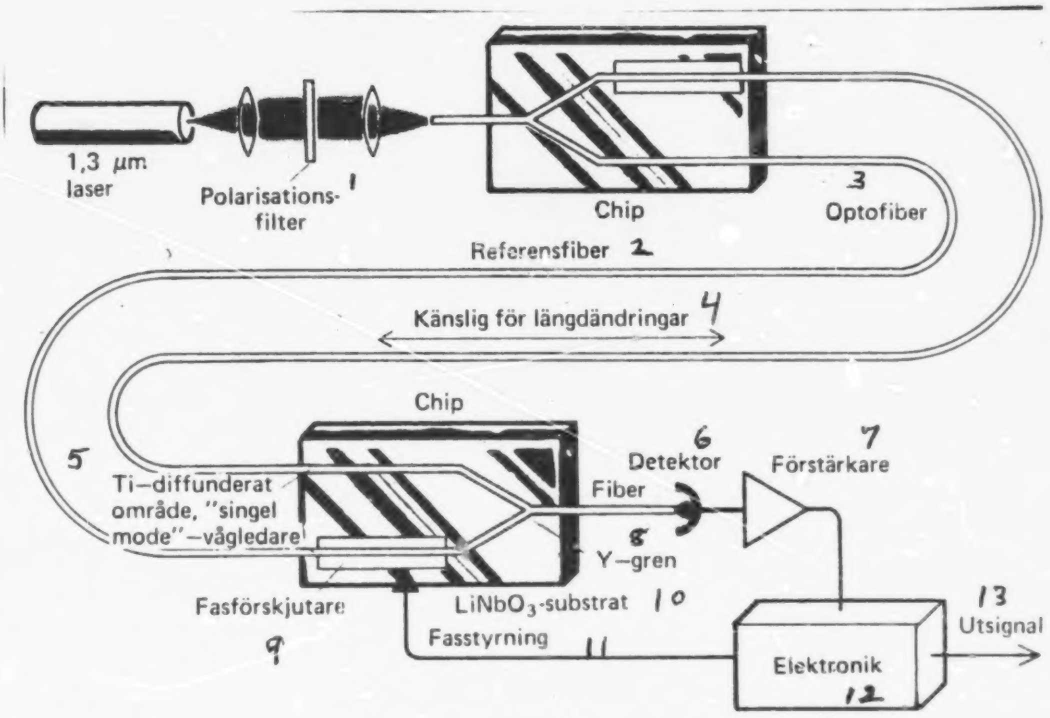
However the development of fiber optics sensors is 10 years behind the development of cables. This fact was criticized at Swedocean's information meeting in Stockholm on fiber optics technology, especially those aspects that have marine applications.

Bell's Light Telephone

Alexander Graham Bell actually built the first light telephone. In it modulated sunlight was sent toward a selenium cell. But it is first now with the big order from the Telecommunications Agency for fiber cables, among other things, that Swedish telephony has begun to obtain the full benefit of optical technology. Now development is aimed primarily at new sensors.

Today around half of the world's sensor market lies in the area of hydrophony, according to Gunnar Edwall of Ericsson's fiber optics division. The main emphasis is on submarine applications. In addition, gyroscopes and other equipment can be adapted for use in space and in oil drillers' logging equipment with the help of fiber optics technology. This development is particularly strong at this time in West Germany and France.

ASEA's temperature sensors and vibration sensors for process control in this new technology are domestic examples of the way in which sensor technology is now starting to develop.


1,3 µm laser
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1
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Ti–diffunderat område, "singel mode"–vågledare
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Detektor
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Förstärkare
Fiber
8
Y–gren
Fasförskjutare
9
LiNbO$_3$-substrat 10
Fasstyrning 11
13
Utsignal
Elektronik
12

This is how Ericsson's optical scientists developed one of their interferometers with the help of fiber optics technology. The equipment uses polarized light which detects phase shifts in light via integrated optical multiple switches. This provides a very accurate measurement of changes in the length of the sensor fiber. With a plastic covering the fiber functions as a passive hydrophone for such purposes as detecting submarines. If it is covered with a magnetostrictive material such as nickel the fiber is a good magnetic field sensor. If it is covered with piezoelectrical polymer, electrical fields can be measured.

Key:

1. Polarization filter
2. Reference fiber
3. Optical fiber
4. Sensitive to changes in length
5. Titanium-diffused area, "single mode" wave guide
6. Detector
7. Amplifier
8. Y junction
9. Phase shifter
10. Lithium-niobium substratum
11. Phase control
12. Electronic equipment
13. Outgoing signal

The Ericsson concern has developed an entirely new type of semiconductor in which a current of 3 V can direct a light signal between two fibers. The alternation can occur in the gigaHertz area, or more rapidly than we can measure with today's measuring devices.

Optical fiber hydrophones can be made directional, in contrast to the broad scanning action of traditional hydrophones, according to Gunnar Edwall.

The United States is now putting a lot of emphasis on fiber optics development for military use, most of it classified, according to civil engineer Bengt Carlstrom of Kongsberg-McDermott Engineering (KME) in Asker, Norway. Among other things equipment has been developed in the form of fibers that can guide torpedoes for up to 100 km.

Passive Hydrophones

The really big development potential in this area of technology seems to lie in sensor development. According to Gunnar Edwall the Ericsson concern has worked on several solutions using both amplitude sensors and interferometric sensors.

For hydrophone technology the great pressure sensitivity of the sensors is of special interest. Kilometer-long fibers that are extremely sensitive to changes in length (involving thousands of a wave length in their light) can function as passive hydrophones.

Equally interesting is the fact that the new type of hydrophone can be made sensitive to direction. In this case the fibers are wound like a coil.

Other current studies involve sensors as magnetic field indicators with extremely high sensitivity. This would be of interest to scientists studying the brain and others who measure very weak magnetic fields.

At the Ericsson company they have also developed integrated optics for interferometers. This involves optical wave guides that are almost exactly analogous to electronic IC circuits. Thus they produced the new electro-optical multiple switch by diffusing titanium in a lithium-niobium sheet as a wave guide.

"Now we are up around a 10 GHz switching frequency," said Gunnar Edwall. "We don't yet know where the limit is."

Small chips where phase modulation can be carried out are very compact and sensitive to interference. It is the general rule for fiber optics technology that there is no danger of electronic or magnetic interference.

Gunnar Edwall and Vinaturs Vucins showed how the technology is used in the form of a fiber optics Mach-Zehnder interferometer and a Sagnacinterferometer. The latter uses the gyro's sensor principle and in addition to military applications it can be used for such things as controlling industrial robots, determining the location of vehicles, logging drill holes with gyroscopes, etc. They agreed that optical gyroscopes will soon be able to compete with mechanical gyroscopes.

Optical Ocean Cables

According to Bengt Carlstrom, civilian applications of fiber optics technology include such things as: guiding underwater vessels (ROV); communicating with divers; transmitting seismic information; hydrophones, especially in relation to seismic studies; position measurement of valves and as gyroscopes in deflection drilling; for stress measurements and measurements in flexible "risers," e.g. collecting pipes for oil and gas, etc.

But he also stressed the need for both sensors and good fiber optics switching devices in particular. Here if anywhere is a high-tech opportunity for innovative approaches.

But in the field of offshore technology the main thing is to convince conservative oil companies of the superiority of the new technology. There is a big risk that "state of the art" will be defined as "the year the chief graduated from technical college."

6578
CSO: 3650/162

MILITARY SWEDEN

PROPOSAL FOR JOINT SCANDINAVIAN AIR FORCE PILOT TRAINING

Stockholm SVENSKA DAGBLADET in Swedish 15 Feb 86 p 8

[Article: "Investment in Civilian Pilot Training"]

[Text] If Swedish-Norwegian-Danish civilian pilot training is to be coordinated, then it should be done by conducting basic training in the individual countries, followed by 6 months of more advanced training at the civil aviation school in Ljungbyhed.

The joint stage of training will begin on 1 January 1988, with 140 students per year.

These proposals were presented on Friday to the Scandinavian defense ministers by a Scandinavian working group that, under the leadership of county governor Eric Kronmark of Kalmar, has studied possible measures for stopping the loss of air force pilots in the various countries.

The working group was appointed after a meeting of the defense ministers in Oslo in early 1985. At the meeting, the ministers agreed that they would attempt to stop the drain of air force pilots to the civil airlines. The Swedish companies alone need about 100 new pilots each year.

A decision as to whether or not Denmark and Norway wish to participate in training according to Kronmark's model is expected this spring.

9336
CSO: 3650/148

DECLETY ON WALLOON ECONOMY, ROLE OF STATE

Brussels LE SOIR in French 4 Mar 86 p 2

[Interview with Arnaud Declety by Guy Duplat; time and place not given]

[Text] To be a newcomer when you are 52 is quite unusual. But in Arnaud Declety's life very few things are usual. The new Walloon regional minister in charge of the economy--who refuses to become an "anti-Dehousse"--has had a remarkable career in Belgian politics. A civil engineer who holds economic and political science diplomas from Parisian universities, Declety worked mainly as the manager of a large cement factory in west Hainaut, his birthplace. Then, by chance as well as through the influence of Andre Bertouille and Pierre Descamps, Declety became a senator in 1981. Today, he is not only minister, but also vice president of the executive branch, and leader of the liberal party in the Regional Assembly. Declety is certainly not a man of the Left, but he insists that he is not a conservative. He would be a radical, if this party still existed. Declety believes in private property, good management, economic rationality, dynamism, and does not like all the quarrelling that goes on in the country. "Rest assured that if the north of the country wants to dominate the other regions, it will be stopped. I am not attacking anyone, I am offering help; but I will not be manipulated," said Declety.

[Question] What is the state of the Walloon economy today?

[Answer] It is still disabled because of its past. Traditionally, large industrial sectors provided wealth and jobs. But these extremely specialized giants had clay feet and it will take years before the consequences of their demise are totally obliterated. Industrial diversification is fundamental. It is essential to avoid specialization in sectors which could be obsolete within a few years. We must also strengthen our support to the small and mid-size enterprises so that they have the necessary flexibility. These enterprises must be made to export and have access to capital investments.

[Question] Intellectually, you still belong to the private sector even though you are devoting all your time and energy to your new task?

[Answer] Because I come from the private sector, I think in terms of mid-range plans. No one knows what will happen in the long range. Politicians are often preoccupied by short-range activities and by their reelection. This attitude has been amply illustrated by the assistance which many moribund enterprises have received in the past. These policies have favored the short-term social aspect of the problem to the disadvantage of the mid-term economic and social consequences.

[Question] Is this a criticism of those who have preceded you at the head of the Walloon economy?

[Answer] I would never criticize what others before me have done. Those measures were taken during a different era, with different tools. The budget deficit was not then what it is today, and the concept of economic crisis was still not clearly understood. Many thought that it was only a phase which would be dissolved through government assistance funds. But the economic crisis has lasted a long time, and we must now adapt ourselves to the new conditions which it has created. You can see, for instance, that the economic policies of Mr Dehousse have evolved through the years.

[Question] Guy Sorman has written "L'Etat Minimum" ("The Minimum Government"). Are you also an "anti-government liberal"?

[Answer] I am certainly a man who comes from the private sector, and I believe that managing the private sector is a lighter task than managing the public sector. We must try to return to the private sector as many industries as possible in the Walloon region. However, it would be absurd to want to eliminate the role of the government. The Regional Investment Society (SRIW) is directly or indirectly responsible for 34,000 jobs, and is doing extremely well. If the private sector has to watch over the interests of its stockholders, I believe that the public sector has the obligation to do the same. We will have to think again to improve the performance of the managers responsible for the public sector, to redefine their tasks, to reevaluate their salaries, and to select those best qualified for the job. We will have to improve the cooperation and coordination between the various public organizations: SRIW, Invest, Coordination Centers, etc.

[Question] Some Walloon initiatives have failed, like Titech. Do you feel you are an "anti-Dehousse"?

[Answer] No. I do not feel that way at all. It is impossible to criticize the private or the public sector for taking chances. And when you take chances, you may fail. The difference between the private and the public sector is that the private sector has to solve problems quickly because it has to report to its stockholders, while the public sector sometimes feels that it will not be held responsible for its eventual errors.

[Question] You remain cautious, even in the questions involving the entire country?

[Answer] I am not at all interested in the passionate and ideological aspects of the community's problems. I see only that the Flanders and Walloon regions are each other's first customer and client. There exists an economic osmosis between the two regions, and I am very pleased with the economic prosperity of Flanders if it is not achieved to our detriment. At the same time, I am very pleased with all good economic news concerning the north of France. However, my "open-hand" policies are not naive. If, for instance, Flanders attempts to gain a larger share of public contracts, I will do all I can to oppose it.

[Question] You want to attract foreign investors?

[Answer] Certainly. We must not only attract foreign investors but ask them what they hope to gain, and learn precisely why some investors are leaving our region.

[Question] The social climate has often been a cause of these departures?

[Answer] The social climate of our region has often been wrongly accused of many problems. I have always been shocked to hear that a day of strike by Walloons is called a "day of action," when by definition a strike is non-action. I am opposed to the dogmatism of acquired rights for both the unions and the management. Conservatism can be anywhere, and it must be defeated because in a period of economic crisis nothing is sacred.

8924/6091
CSO: 3619/35

ECONOMIC FEDERAL REPUBLIC OF GERMANY

INSTITUTE SAYS FIRMS TRAIN EMPLOYEES POORLY FOR HIGH TECH

Hamburg DIE WELT in German 11 Mar 86 p 1

[Article by Peter Phillipps: "Deficits Reported in 'Training Center Operations'"]

[Text] Bonn. In the Federal Republic of Germany both companies and employers invest significant amounts of their own time and financial resources in continuing education. However, the results are often unsatisfactory. In its preliminary report based on a study of "training center operations," the business-oriented Institute for the German Economy (IW) has found sobering "deficits." In essence, the analysis, which was initiated by the Federal Ministry of Education, criticizes the fact that the increasing introduction of technologies is not being addressed with adequate, practice-oriented continuing education: "To be sure, companies are trying to provide the possibility for higher qualifications and broader fields of endeavor for their employees by introducing new technologies into their operations, but we don't discern any clear trend toward higher personnel qualifications."

According to current data, expenditures in the private sector for additional training increased from 80 Marks per employee in 1972 to 365 Marks in 1984. In all, company expenditures for employee training and continuing education came to almost 38 billion marks gross. If we take into consideration the price index for the gross national product, we get an actual increase of 160 percent for continuing education expenses. Nevertheless, according to the IW report, which places its main emphasis on the metals-processing industry, there is too much willy-nilly activity going on: "Training programs offered up until now have to be better integrated with each other."

The Economics Institute has pinpointed an "important potential problem in role displacement in management," which has been inadequately prepared for structural and technological change. Certainly, company leadership--both industrial supervisors as well as management--"have been informed early on of the introduction of new techniques, but only in very rare cases have they been prepared for change in their roles." Generally speaking, the new technologies require stronger company decentralization and team-work qualities, coupled with broader multi-disciplinary knowledge and management practice. However, company training is still too strongly concentrated "exclusively on the technology itself" and is not concerned enough for its organizational and social-psychological components.

Essentially the IW is recommending that "social, structural and technological changes require a redefinition of our position on continuing education." A first step in this direction would be for those responsible for continuing education "to receive more training in the underlying principles and didactics involved." The conference for "Occupation and Continuing Education--Chances and Perspectives" is intended to start a push in this direction; it will be held in two weeks in Stuttgart and is sponsored by the Educational Institutes for the German Economy, the IW, the Employers Associations and the Didacta Association, among others. Mr. Merkle, chairman of the board for Bosch, will [deliver the keynote speech] to the effect that investments in continuing education "really add up" for companies.

13127
CSO: 3620/563

DEVELOPMENT OF GREEK-HUNGARIAN COOPERATION SOUGHT

Athens I KATHIMERINI in Greece 4 Apr 86 p 4

/Article by N. Nikolaou: "The Greek-Hungarian Trade Transactions Are Continually Reduced"7

/Text7 In recent years. Greek-Hungarian trade has been facing problems. The drop in the total trade volume between the two countries started in 1984 and continued in 1985. If no measures are taken the situation will not be improved this year either. Our imports from Hungary reach 45 million dollars while our exports to it are limited to 18 million dollars. In other words, we have an adverse balance and this naturally prevents efforts for developing our transactions.

There are two reasons for the unfavorable turn Greek-Hungarian trade has taken which, in any event, experienced a crisis right after Greece's induction into EEC which, as is known, abolished the clearing system.

The first reason is tied to the limited Greek exports which are mostly fruits and other traditional farm products. Therefore, as things stand the possibility for developing our exports are limited unless they are enriched with new dynamic products, such as the industrial ones.

At the last meeting of the Greek-Hungarian Joint Commission on 5 February in Athens, the Greek side asked the assistance of the Hungarian delegation in increasing Greek exports and even presented a list of Greek products whose export is of interest to Greece. The Hungarian side promised to study it.

There is no doubt that trade with socialist countries has many peculiarities which are not related to the activities of market mechanisms and, therefore, the Greek side correctly tries to increase our exports through bi-statal agreements. However, in the case of Hungary this is not enough. This country differs greatly from the other socialist countries in the structure of its economy as well as trade. Its market is much more open and consequently easier to approach.

In every complaint of the Greek side that our exports do not fare well, the Hungarian officials say: "To a large extent this is your problem. You must exercise a more aggressive export policy. You must make known your products to the Hungarian market. You must develop closer relations with the Hungarian enterprises; you must use more accurate marketing and better management.

The Hungarian model is known and does not need repeating. In any case, we must note that the private sector is undergoing full development. In the area of production it may have only a 10 percent part but in the distribution its role is far greater.

I. Toldy, an official of the Chamber of Commerce (an organization representing 1,000 state enterprises) informed a group of Greek newsmen of the situation and prospects of Greek-Hungarian trade and insisted particularly on the need of increasing contacts between the two sides. He said: "Exporters from Western countries frequently come to Hungary bringing samples and prices. The Germans, especially, when a problem arises, take the plane and arrive in Budapest. They are not limited to just sending letters or to making telephone calls. They come to the very place and solve their problems."

Greek exporters share this view and told us the government must find the Hungarian firms (and there are many which work on commission) and assign to them the study of the Hungarian market and the promotion of our exports.

The second reason is due to the fact that industrial, agricultural and technological cooperation has not developed as it should between the two countries and, particularly, there is delay in setting up joint ventures.

Joint Ventures

The Hungarian government pays particular attention to the promotion of joint ventures and in recent years Hungarian enterprises have set up in the country more than 50 such ventures in cooperation with the largest industries or banks in America, Japan, West Germany, Great Britain, Switzerland, etc. A portion of the products of these joint ventures is consumed within Hungary, while the rest is exported either to the country participating in the venture or to third countries. Therefore, the joint venture, to the degree it is developed, can be a solid and stable base for a long-term development of trade.

Unfortunately, there is only one such venture with Greek participation--OLYMPOS, Ltd.--which produces fruit juices.

The protocol signed on 5 February following the conference of the Greek-Hungarian Mixed Commission points out that both parties agreed to promote modern ways of a more permanent cooperation such as joint production and joint ventures. Certain steps have already been taken in this sector and there exist bold plans for broader cooperation. The better known of these are the following:

Joint production of port cranes. The Elevsis Shipyards and the Hungarian firm Ganz Danubius will jointly manufacture five cranes for the Salonica Port Authority.

Hospital equipment and medical machines. Following the successful outfitting of the Greek Health Centers by the Hungarian company MEDICOR, the Mixed Commission recommends to MEDICOR and other interested companies to research and use to best advantage the possibilities of joint production of hospital equipment and medical machines as well as to train personnel in handling and maintaining the equipment.

The Mixed Commission recommends also to the Hellenic Organization of Medium- and Small-Size Enterprises and Handicrafts the Hungarian companies OKISZ and MEDICOR to exploit the possibilities of cooperation in the following sectors:

a. Importing half-finished goods by the cooperative REDELKIS (construction of electronic apparatus, chemical electrodes, etc.) which will be finished in Greece and sold in Greece and abroad.

b. Joint construction of surgical beds.

Railroad stock. The two sides agreed to assist in the production in Greece, with Hungarian technical support, of rail buses for sale to third countries.

The Mixed Commission recommends to the Hellenic Organization of Medium- and Small-Size Enterprises and Handicrafts and OKISZ to exploit the possibilities of cooperation in these sectors also:

1. Sending leather to Hungary where companies will make the upper part of shoes which will be sent to Greece for finishing.

2. Establishment of a common unit for producing metal parts to leather goods.

Fish Hatcheries

There are also other sectors (fish cultivation, animal breeding, etc.) where the margins for cooperation are large, while the Hungarians are strongly interested in participating in the construction of large projects in Greece, the Metro, for instance. It should be noted that Budapest has a marvelous subway system and from the point of view of terrain the conditions are the same in Athens as concerns the construction of colonnades.

The aforementioned cases underline the fact that if both countries show constructive initiatives, then the trade between them can see a period of growth while the development of the two economies could be significantly promoted. Moreover, the horizons will be wider if Greek enterprises join Hungarian firms in joint ventures.

At this point we must point out that we were surprised and impressed to hear I. Toldy explain the recent Hungarian law on the protection of foreign capital. There exist full guarantees that the foreign investor can export abroad in foreign exchange not only his share of profits but the capital as well. He also has the possibility of being the major shareholder in the joint venture. Taxation of the profits is particularly low. If the investment is considered significant the profits are exempted from taxation the first 5 years and after that period the tax is 20 percent. The other investments are subject to 20 percent tax for the first 5 years and to 30 percent thereafter until it reaches 40 percent.

At the same time Hungary begins to imitate Switzerland and now accepts deposits in exchange from foreigners whose anonymity is stringently guards.

The Hungarian model for development offers admirable know how in many sectors and our politicians should study it carefully.

7520
CSO: 3521/118

ECONOMIC PORTUGAL

NUMBER OF STRIKES DOWN IN 1985

Lisbon O JORNAL in Portuguese 14 Mar 86 p 5

[Text] The year 1985 saw the smallest number of strikes in any of the last 5 years. Of the 490 reported by the Sociology Division of the Ministry of Labor, 434 (88.6 percent) occurred in enterprises, while the other 56 (11.4 percent) were sectorial strikes. The year 1981 continues to be the "record" year for the number of strikes.

The figures on the strike movement for 1985 were released this week. Although they are only provisional, they confirm the downward strike curve following the peak which occurred in 1981. The number of strikes remained relatively stable from 1974 to 1980. During these 7 years, the average annual number was 348. In 1981, the number increased by 116.6 percent over the average for the preceding years. Since then, a more or less regular decline has been seen, although the figures have remained higher than those for the 1970s.

A decline in comparison to 1984 was seen both in enterprise strikes (470 to 434) and sectorial strikes (80 to 56).

It should be noted that the strike figures for 1984 released this week are incorrect, since they were based on the number of notifications submitted to the Ministry of Labor in advance, of which there were more than the number of strikes actually carried out.

In 1985, a total of 198,133 workers went out on strike, losing 276,233 labor days. This means that each striker lost an average of 1.4 days of work.

It is worthwhile to note the sectorial distribution of the strikes called. The basic metalworking industries and those manufacturing metal products led the list, with 235,608 workers losing 126,127 labor days. Next came construction and public projects, with 2,260 workers losing 37,338 labor days. The transportation and storage sectors ranked third, with 31,657 workers losing 36,160 labor days. The textile sector was in fourth place, with 3,185 workers losing 18,946 labor days.

5157
CSO: 3542/75

ECONOMIC SWEDEN

BRIEFS

EXPORT CREDITS FOR IRAQ--Swedish firms have good prospects for exporting to Iraq. Despite the war with Iran, the country's economic outlook must be regarded as relatively good in the long term, writes the embassy in Baghdad in a marketing guide for the Export Council. That optimistic assessment is based partly on the fact that the Iraqi president wants to increase imports and provide more support for the private sector. Moreover, Sweden has decided to provide 700 million kronor in credit supports for Swedish export efforts in Iraq. The embassy calculates that Sweden ought to have good prospects for selling such things as equipment for the production of power and the distribution of electricity, telecommunications equipment, automobiles and trucks, agricultural machinery, and complete industrial plants. [Text] [Stockholm DAGENS NYHETER in Swedish 12 Mar 86 p 32] 11798

CSO: 3650/155

DRILLING FIRM: OIL SEARCH ACTIVITY IN NORTH SEA MAY SLOW

Copenhagen BERLINGSKE TIDENDE in Danish 15 Mar 86 Sect III p 1

[Article by Henning Gøtz: "Stop to Oil Production"]

[Text] Yesterday A.P. Møller notified the Energy Ministry that the expansion of oil and gas production in the North Sea depends totally on future oil prices.

A.P. Møller now wants to sit down and wait for better oil prices before the company together with its partners in the Danish Substratum Consortium, DUC, increases production in the Danish section of the North Sea over and above that already planned.

Friday afternoon the Energy Ministry was notified that the Kraka oil field, which formerly went by the name Anne, as well as the Igor gas field will not be begun before "an economically supportable basis can be achieved" with a rise in oil prices.

And this will be achieved, according to A.P. Møller, at the earliest when there is a chance for a price of over $20 a barrel for North Sea oil, the company reports, which thereby for the first time puts figures on how high the price for oil must be before future oil fields are profitable from DUC's viewpoint. The price of a barrel of oil these days is down to between $12 and $14 a barrel, all according to quality and delivery time, but DUC has not provided information regarding alternative plans for the already producing fields, as well as regarding development plans concerning the Dan-F and Rolf oil fields and the Roar gas field.

Incidentally, last year A.P. Møller declared to the Energy Ministry that the company wanted to exploit the Kraka and Igor fields, which are both in the vicinity of the Dan field. Yesterday was the final date for presentation of a more detailed development plan for the two fields, and the intense drop in oil prices of the last few months has accordingly made DUC now change its signals.

As far as the Igor gas field is concerned, it reads in the report to the Energy Ministry that the plans for this field also depend on a "satisfactory agreement regarding marketing of the gas" being reached with DONG [Danish Oil and Natural Gas]. The State Danish Oil and Natural Gas Company earlier aired plans regarding purchasing gas in Norway if agreement could not be reached on an advantageous arrangement with DUC, which from now to after the turn of the century is to supply 55 billion cubic meters of gas to the Danish natural gas project.

Incidentally, DUC anticipates that henceforth a total of at least 110 billion cubic meters of gas can be produced in the consortium's section of the North Sea.

Both Krake and Igor are--if DUC decides at a later date to begin production--to be established as so-called satellite fields, which will consist of unmanned platforms with combined recovery and production facilities.

A.P. Møller is obligated later this year to tell of DUC's development plans for the Nord-Arne [North Arne], Adda and Niels fields.

8831
CSO: 3613/89

FIRM DEVELOPS SULPHUR-FREE SYNTHETIC GAS PRODUCTION

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 7 Feb 86 p 7

[Article by re: "Coal Gasification Generates Low-Sulphur Synthetic Gas"]

[Text] Frankfurt. KHD Humboldt Wedag AG of Cologne reports that they and Sumitomo Metal Industries of Japan have developed a joint process for the gasification of even high-sulphur coal that does not require any expensive gas purification. Their continuous "molten iron puregas" process is capable of generating a nearly sulphur-free synthetic gas at 1350 to 1400 °C under a pressure of 3 bar. The process is based on the solution of carbon in molten iron, followed by carbon reaction with the gasification medium.

Carbon in the form of pulverized coal (maximum grain size 3 mm), lime with oxygen, and a carrier gas are fed into the reaction chamber either from cooled compound jets in the bottom of the refractory-lined gasification reactor or from top-blown lances. At the same time, other gasification media, such as air, steam, carbon dioxide and other substances can be introduced via the compound jets or the lance.

Humboldt Wedag also reports that the coal is then degasified in the iron bath. In this process the volatile components are cracked. Then the carbon dissolves in the molten iron and reacts with the gasification medium. The coal ash and lime forms a slag. The sulphur reacts with the lime to form calcium sulfide, which floats together with the slag in the iron bath. The raw gas produced is then cooled and purified in a boiler and dust-removal system.

According to KHD's description, the gas is almost completely de-sulphurized, so that it can be introduced without post-treatment directly as synthetic gas for methanol generation or as a clean, environmentally safe fuel in certain industrial furnaces. The gas could also be used for generating electricity in a combined gas/steam-turbine power plant.

CSO: 3620/553

- END -

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West Europe Report

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23 APRIL 1986

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POLITICAL FEDERAL REPUBLIC OF GERMANY

FRG LAENDER, LED BY STRAUSS, CRITICIZE EC POLICY REFORM

Munich SUEDDEUTSCHE ZEITUNG in German 13 Mar 86 p 3

[Article by Udo Bergdoll, datelined Bonn, 12 March: "Laender Rebuke for the Federal Chancellor; No 'Opposition Foreign Policy,' but More Consultation With the Laender Is Demanded"]

[Text] It is unbelievable because the story sounds so incredible: The Federal Chancellor fights for two nights in Luxembourg to achieve a modest compromise concerning the EC reform and, shortly before the signing, the Bavarian minister president asks him in Bonn to refuse his signature; from the Bavarian view, the negotiations were sloppy, the compromise of the 12 chiefs of government not only calls the purity of the beer in question, but generally also the powers of the federal Laender. The foreign minister throws the teletype message into the waste basket without having read it to the end. In the Bundesrat of the German Parliament Franz Josef Strauss on 21 February then leads a red-black coalition which, with the majority of the SPD-ruled Laender and that of Bavaria, criticizes Helmut Kohl and his cabinet for not having sufficiently consulted the Laender and for having signed the reform measure without express proviso of intrastate review.

The latest variety of the "opposition foreign policy of the Laender" reveals a constitutional problem. The fact that Strauss faults Kohl for "jellylike formulations" is only a piquancy in passing. In the matter at hand, the Laender complain that the EC reform jeopardizes their high standards as regards the law on food production and distribution and the environmental protection regulations. Therefore, the SPD-ruled Laender, too, had demanded that the reform text be signed with the proviso that the federal Laender approve it.

But the text of the treaty states: "This document requires ratification by the High Contracting Parties according to their constitutional provisions." Thus it was made clear that the Bundesrat had to give its consent before the reform can be put into effect. The wish for an express proviso therefore can only be interpreted that the Laender, under the leadership of Bavaria, lately claim foreign policy competence.

Apparently the Laender fear that, as part of the European integration process, the regional interests could be ignored, not only in Brussels but also in setting the political leeway for political compromises in Bonn. The majority in the Bundesrat under this aspect regards the German signature of the Luxembourg compromise as disregard of the interests of the German Laender and threatens to block the ratification process.

All those who are dissatisfied with the shift of competence to Brussels and do not want to understand that the European unification process without sacrifice is not possible, found out from Strauss to whom to address their protest. The federal chancellor is the guilty one because he had promised the Laender intensive consultations but did not keep this promise. If the federal government does not want to risk a disaster on the European level, too, Helmut Kohl will have to take the tendencies in the federal Laender for greater federalist independence more seriously than heretofore. Also the intention of some Laender to set up liaison offices with the EC Commission in Brussels is not without explosive force.

12356
CSO: 3620/618

POLITICAL FEDERAL REPUBLIC OF GERMANY

SPD VISITORS TO EAST BERLIN DISCUSS BORDER, ECOLOGY ISSUES

Bonn DIE WELT in German 13 Mar 86 p 12

[Article by Georg Bauer, Kiel: "East Berlin Poses a Linkage Deal; no Border-crossing Environmental Protection Without Agreement on the Course of the Elbe Boundary"]

[Text] There will be no border-crossing environmental protection without agreement on the course of the Elbe boundary in dispute between Bonn and East Berlin. This linkage, established by "GDR" politicians, was announced yesterday by the SPD opposition leader in the Kiel Land parliament, Bjoern Engholm. Engholm, at the head of a Schleswig-Holstein SPD delegation, together with the SPD Land chairman Guenther Jansen stayed in East Berlin for three days for talks.

According to Engholm, the head of the "GDR" delegation in the German-German border commission, Volkmar Fenzlein, intimated that beyond that there is no linkage between this question and the solution of other questions.

Pawn Elbe Boundary

With the remark that the "GDR" is ready for a concession in other questions if Bonn is ready for a normalization at the Elbe boundary, Fenzlein, however, had to greatly restrict his position.

Affected by this linkage is above all the question of the redevelopment of the Elbe in which Lower Saxony and Hamburg have a special interest. Fenzlein said in connection with this point that the water resources complex had been expressly excluded from the environmental agreement between Bonn and East Berlin. This complex will not be touched until the question of the Elbe boundary, which in the opinion of East Berlin runs in the middle of the river, is not solved. In the opinion of the "GDR," no "regulation binding under international law" could be achieved on account of the resistance in Hannover. Therefore documents proving the view of the "GDR" on the course of the boundary had been forwarded to the Albrecht cabinet. Prior to that, the documents had also been submitted to the federal government.

From the talks with Politburo member Hermann Axen, it became furthermore evident that East Berlin makes the possibility of municipal partnerships dependent on certain conditions. To the Social Democrats, Axen emphasized that this is a complicated question, since the "GDR" People's Chamber is not recognized by the CDU/CSU. This necessarily has also consequences for the establishment of municipal relations.

In the economic field, in Engholm's view East Berlin wants even closer contacts to FRG firms, for modernization of its enterprises. However, the "GDR" side had complained about the increasingly narrower interpretation of the COCOM list.

The "GDR" wants to examine whether contacts on the level of factory committees can be established, which was on the wish list of the SPD delegation.

More Economic Contacts

Disagreement between the partners in the talks arose concerning the "GDR" Schoenberg garbage dump at the gates of Luebeck. The SPD view that the dump could endanger in the not too distant future the safety of Luebeck and the ground water to deep into the Lauenburg area was rejected by East Berlin.

In East Berlin, Engholm had underscored the SPD view that full respecting of the citizenship in the "GDR" "in consideration of the constitutional situation of the Federal Republic of Germany" is possible and overdue. Furthermore, the SPD delegation advocated the disbanding of the Salzgitter registration office and the establishment of official relations between the "GDR" People's Chamber and the German Bundestag.

12356
CSO: 3620/618

POLITICAL FEDERAL REPUBLIC OF GERMANY

FRG ADOPTS NEW APPROACH TO FOREIGN AID

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Mar 86 p 2

[Article by Kg: "The Cabinet Approves New 'Outlines for the Developmental Policy'; Warnke: Help for Self-help; Stronger Control of Outcome Planned"]

[Text] On Wednesday the federal government approved new "outlines for the developmental policy," of which Federal Minister Warnke said after the cabinet session that they are "a result and expression of the reorientation of developmental policy." However, no change in the direction of the developmental policy is signaled. As Warnke put it, developmental policy is supposed to be help for self-help. The effectiveness of the aid is to be improved by "political dialogue" with the developing countries, by better coordination with other donor countries and by strengthening the outcome control.

Development aid is supposed to contribute to developing the creative forces of the people in the developing countries. This assumes stable legal and institutional systems with market economy elements and performance incentives, Warnke said. The responsibility for such general conditions rests with the developing countries. Their efforts could and should not be replaced by the donor countries. The federal government especially supports those countries which seek to achieve an economically efficient and balanced social order. It is part of the responsibility of the industrial countries to ensure lasting and inflation-free growth, to create the conditions for further reduction of the interest rate and to keep open and further expand the markets for products of the developing countries.

The federal government wants to concentrate its aid on the poorer developing countries. In these countries, short and medium-term survival aid must accompany long-term structural aid. Cooperation with the advanced developing countries pursues the aim to safeguard the successes and reduce imbalances in the development. The federal government wants to make a contribution to overcoming the debt crisis. It supports those debtor countries that tackle effective adjustment programs. The aid is aimed at debt rescheduling of public and publicly-guaranteed means; in addition export guarantees are to be provided. In granting aid, attention is paid to see to it that such aid also has a positive effect on employment in the FRG. A condition for granting funds has always been that projects suitable in terms of development policy were involved, Warnke said. Development aid is not only a matter of the state but also a task of society as a whole. The federal government thus bets on the support of its aid by nonstate organizations, especially by the churches. Private economy cooperation is regarded as an indispensable contribution to the economic and social development in the developing countries. It provides, aside from capital, also entrepreneural and technical knowledge..

12356
CSO: 3620/618

POLITICAL FINLAND

MAJORITY COMMUNIST, LIBERAL NEWSPAPERS ON PARTY SPLIT

Minority Has Made 'Choice'

Helsinki KANSAN UUTISET in Finnish 20 Feb 86 p 2

[Editorial: "They Have Chosen Their Line"]

[Text] The leadership of the TIEDONANTAJA group finally came to a quick decision: it will create an organization which will be marked in the party registry. It is impossible to call this organization anything but a party. This was acknowledged yesterday by all experts.

This choice was the culmination of a long-continued conflict in which the other alternative would have been a return to organizational activity within the framework of the Communist Party and Finnish People's Democratic League. This alternative was rejected. Within the circles of the so-called organizational committees, the forces which had long prepared the way for their group to form its own party and for the organizational dissolution of the FCP and the Finnish People's Democratic League gained the upper hand. Interpretations according to which a new party would not be formed were wrong. Five thousand names are being collected for the formation of the party. A program and rules are being formulated for it. It will function as a competitor and political opponent, above all, to the Communist Party and the Finnish People's Democratic League.

The disintegrating influence of the new party must be made widely known to the laboring people, especially because in creating it, the name and symbols of the Communist Party and possibly also of the Finnish People's Democratic League are being used in a misleading manner. To the communists it goes without saying that one cannot at the same time be a member of the party and also participate in the formation of another party.

The new situation is a challenge to the Communist Party and the Finnish People's Democratic League. With the increased activism we must show that the great struggle which has been waged for 40 years after the wars for peace, democracy, the development of good relations between Finland and the Soviet Union, and the interests and rights of the laboring people continues with the leadership of the Finnish Communist Party and the Finnish People's Democratic League organizations. The activities of the competing organization lead to a separation from the people's democratic movement, splinter forces and benefit only the forces opposed to the laboring people.

SKP, CPSU Relations Examined

Helsinki HELSINGIN SANOMAT in Finnish 1 Mar 86 p 2

[Editorial: "SPSU and SKP"]

[Text] At the 27th meeting of the CPSU delegates, 152 foreign delegations were present. In addition to the CP and the revolutionary movements, plenty of social democratic and even non-socialist parties had been invited from some countries--as e.g. the Center Party from Finland. Only a portion could be given an opportunity to present themselves in the meeting hall itself. The Finnish Communists this time were not included in the group.

Although traditionally the SKP belongs to the important group of Western European communist parties, the chairman, Arvo Aalto, was directed to give his speech at a Moscow labor meeting. Nor was he invited to the appropriate honored position among the chairmen of the delegates meeting, where formerly room had been found for both Arrne Saarinen and Taisto Sinisalo simultaneously. The message of the masters was clear--if not totally insulting: the present leadership of the SKP does not enjoy the respect of the CPSU. It could even be considered a unique form of humilitation that the party received its invitation at the very last moment. The fact that the leftists, or the so-called unity forces were left without an invitation was undoubtedly a new victory in this round for the present leadership and at the same time an indication of the CPSU's entanglement in its own SKP skein. If one holds out for a single SKP it can be represented by only one delegation. The invitation of two delegations would have been tantamount to recognition of two parties.

The new winds blowing at the meeting of the delegates forecast more tolerant attitudes toward the communist parties of different countries and toward their freedom to choose their own paths. In the case of the SKP, the CPSU has clearly reached a dead end. To get out of it, it either has to recognize the present SKP or to give its support for the creation of a new party that would please it. The latter choice should not close out the first.

12989/9274
CSO: 3617/81

POLITICAL GREECE

PAPANDREOU'S 'JANUS-LIKE' POLICY VIS-A-VIS UNITED STATES

Athens I VRADYNI TIS KIRIAKIS in Greek 2 Mar 86 p 12

[Article by Agamemnon Farakos]

[Excerpt] Athens--In the "Greek case" the two faces of Janus are being proved inadequate in presenting an almost unbelievable reality, created by PASOK with abundant skill, in the mesh of Greek-American relations.

One of Janus' faces is the smiling, Americanophile face of the new policy of dealing with a reality which, if ignored, would only result in disagreeable consequences, and which is complemented by an almost magical elimination of any anti-American sharpness and attack from Athens' official lips. Where did that idyllic era go, when every minister, deputy minister and sympathizer of the Papandreou government considered it his national duty to party and government to damn something American, at least once a day, from Reagan to Coca-Cola? Now, in the worst case, they keep silent, and in the best case--see the case of Georgios A. Papandreou in Washington--they "pray" together with Ronald Reagan in the White House and see to it that the Greek television immortalizes this evidence.

It is evident, though, that we are dealing with a 'line' channeled from 'above', and it is also clear that its implementation is closely watched and controlled, to avoid any 'leaks' which might alter this climate. However, it is at this point that the kind, smiling side ends. It ends exactly at the borders of the council of ministers and its members.

Deliberately and with clear political, partisan and other considerations the 'new line' of rekindling Greek-American relations is confined to these compartimentalized higher echelons and nothing, and no trace of it, leaks further down, where public opinion is really shaped, propaganda and disorientation are practiced, as they are deemed useful, to the extreme limits, down to the lowest elements of the government apparatus, where the gears of the propaganda machinery mold consciences and votes are hunted.

This decisive and very important area is controlled at all times by the anti-Americanism and the anti-American hysteria of the first four years of PASOK in government. Nothing has reached there from the 'shift' of the Papandreou government and everything continues to operate in this area as if our first and only enemy are always the Americans and one Ronald Reagan Mr Papandreou's personal adversary! The second face of Janus is not simply in the forefront in all its glory; it always controls all.

In recent weeks the U.S. air and naval 6th Fleet exercises in the central Mediterranean constituted, for the two television and radio channels on Mesogion street, "warlike actions against Colonel Qadhadhafi (that angel by whose name today's Greece swears).

The TV news reports from Washington fermanently show President Reagan ready to drink the blood of the Nicaraguan people.

Any piece of news, information, rumor or whisper that insult, offend, annoy or humiliate the United States, its leaders, the structure of its society, the worsening of crime, even illiteracy, is prominently mentioned on television, radio and news agencies, very often to the detriment of other, objectively more serious and selective news.

An invitation extended by the Ellinikon American base commander to a group of mayors and community leaders, to visit the base and be shown about, was forbidden in a manner not only rude but vulgar as well by a state official, to obviously 'slap' the Americans once more.

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ND'S MITSOTAKIS SEEN SOLE MASTER OF PARTY

Athens KIRIAKATIKI ELEVTHEROTYPIA in Greek 2 Mar 86 p 48

[Article by Panos Loukakos]

[Text] Athens--"Mitsotakis will fall within the next weeks", the leading officials of New Democracy said following the June 1985 electoral defeat. The next weeks went by and Mr Mitsotakis did not fall. "Mitsotakis will fall in October, as soon as the Chamber of Deputies opens and the deputies return from the provinces". That was the second scenario, originating from the same persons. October came and went. "Mitsotakis will fall in mid-January before the convention". This was how his inner party rivals saw it.

January went by. "We will rumple him at the convention and he will fall right afterward'. The convention is a thing of the past already, nobody 'rumpled' Mr Mitsotakis in Salenica and now, when we are in the "right afterward" period his position is stronger than at any other time, since his control within the New Democracy is now absolute.

So, Mr Mitsotakis did not fall, in spite of his rivals' numerous prognostications. On the contrary, their own plans came to naught. Today, the leader of New Democracy is all-powerful, having already annihilated Kostis Stefanopoulos and Giannis Boutos, having set aside the 'historic leadership' of the party-Messrs G. Rallis, E. Averof, K. Papakonstandinou-and having elbowed aside the younger officials who might have entertained leadership plans for the immediate future.

Now then, for the first time, Mr K. Mitsotakis can feel secure in his seat. Now, New Democracy has a leadership which might be disputable but cannot be upset. And this is the major handicap for the opposition. It is a handicap because Mr Mitsotakis may be able to win all internal party battles but he cannot win the war with the PASOK. For as long as he remains the leader of New Democracy, Mr Andreas Papandreou can sleep with tranquileity at night.

This is so because always, in his juxtapositions with the current leader of the opposition party, he is and will be the unequivocal victor. Also, because it is clear that the New Democracy, led by Mr Mitsotakis, will never win the decisive percentage of those voters vacillating between the two parties; the percentage, that is, which always yields the majority in electoral battles.

Though Mr Mitsotakis admittedly proved to be an easy opponent for Mr A. Papandreou, at the same time, all these months, he proved to be an expert in intra-party maneuvers. He took full advantage of Mr Evangelos Averof's personal bitterness for having been supplanted and was supported by the entire Averof team to dominance. And he relied on this team for support through the initial difficult times. As soon as he determined that he was rudimentally secure he proceeded to essentially dismantle the Averof team, turning its officials one against the other and canningly taking advantage of their existing personal ambitions. In this fashion, he undid those who made him the leader.

Next, Mr Mitsotakis incited Mr Stefanopoulos to a contest which he himself was controlling from the outset. Naturally he won, securing a new and unopposed election by the parliamentary team.

Right after that he proceeded to advancing and removing the new candidates to heir affatent. He played his game, now with M. Evert, now with G. Varvitsiotis or A. Andrianopoulos, or anybody else appearing to have personal views. Finally, he managed to turn everyone against everyone else. Never in the past was the parliamentary team of New Democracy so deeply split and into so many pieces. Never before the ND deputies were so distrustful of each other. Never before had they been used to this extent in party games which were essentially not their own.

Mr Mitsotakis promised everybody everything. And he did not fulfill any of his promises. At the same time, he turned everyone against each other. Today, as a result, the New Democracy deputies do not even talk to each other since, frequently, whatever they have said to one of their colleages is expeditiously passed on to their president.

Thus, during the recent intra-party elections of New Democracy for the top officials of the party, Mr Mitsotakis presented lists of his favorite candidates and managed, following a series of behind-the-scenes, albeit effective manipulations, to have almost all of them elected. Candidates, who were speaking against Mr Mitsotakis, appeared in his lists at the last minute and won election in the end. Others, who had received specific promises, are still waiting for the 'beans' which he would allegedly secure for them.

It was in this fashion Mr Mitsotakis played and won the game. Today, in dominance of the party arena, he alone decides about everything, surrounded by a close personal staff, of which a few members do not come either from the parliamentary team or from the party apparatus. These are the so called "president's men"; who, naturally, do not enjoy independent status but depend absolutely on him.

This is one side of the coin. The absolute intra-party dominance of Mr Mitsotakis. The other side is the more general policy of the New Democracy.

Here, though, the president of New Democracy has not been as successful as in the intra-party games. Because, on the one hand, the removal of all New Democracy capable officials who could possibly contest him at some point in time may be to his personal advantage; but, on the other hand, this removal completely weakens the opposition capabilities of the party.

Now, Mr Mitsotakis alone is involved in the confrontation with PASOK, without seeking help from others or refusing any help being offered. And, up to now, he has always lost. Because Mr Mitsotakis may have proved to be more capable than his ND colleagues, but surely the exact opposite is the case in his confrontation with Mr Papandreou.

Already Mr Mitsotakis is speaking of election victories in the municipal elections. And, undoubtedly, ND will neither come out the loser in these elections nor, however, will it come away with tangible political gains, since the outcome of these elections is always interpreted in many and varied ways, allowing each and everyone to maintain that he is the winner.

His opponents maintain that he will lose in these elections and they will then immediately overthrow him. This is not valid as well. Because there will not be an outcome such as to constitute a clear defeat. Also because it has been proven that, in the final analysis, Mr Mitsotakis cannot be overthrown by his existing opponents.

Thus, matters appear somehow to be predefined. And this is unfortunate. Not only for New Democracy, but for the country as well. When the New Democracy was government, and was losing ground precipiteously within the electoral body, the problem was not a more general one because PASOK was in existence, constituting a viable alternative solution. Today, when it is PASOK that is involved in a descending course, Mr Mitsotakis' New Democracy, no matter how things will turn out, does not constitute for most Greeks a viable and safe prospect. And this is not New Democracy's problem alone.

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POLITICAL GREECE

GOVERNMENT RESHUFFLE SAID TO INCLUDE PERSONS, STRUCTURES

Significant Changes Foreseen

Athens TA NEA in Greek 12 Mar 86 p 6

[Article by Nikiforos Antonopoulos: "Changes in Faces Too"]

[Text] Significant changes in the policy and in the composition of the government should be expected soon, according to information given by leading officials of PASOK. Already, the extent of the changes is being prejudged in the speech of Mr Andreas Papandreou to the Central Committee that has been embodied in the policy decision of the congress and will soon be formulated in two texts:

The first text will deal with the government operation and its relationship with the political vehicles and the mass movement-a dialogue for preparing bills of a wider political and social signigicance, a closer relationship with the authorized guidance people of PASOK for the purpose of establishing-a concord between the selection of the priorities of the movement and the job of the government, etc.

The second will be directed to labor union officials and to corresponding organizations in PASOK that will shape the political framework within which they will move in the corresponding labor union areas in a manner that will not allow the repetition of the actions that intensified the crisis in the labor union movement last October.

As emphasized by leading officials of PASOK, with the decision of the central committee and the proposal for a dialogue to the parties of the "traditional Left", the terms are being formed for "another type of governing and a radically different approach to political and social problems".

Exactly this problem, in other words the formulation of a new political approach to problems, is the main concern of prime minister Mr Andreas Papandreou at this moment. And the final results of course will shape the changes that will be made in the composition of the government in the effort to put its new directions in practice.

"It is not possible-according to a leading official of PASOK-to change the political direction in a critical sector of the government and have someone remain in his position as minister when he promoted and applied a different political concept."

And according to current information, from confirmed sources of PASOK and the government, the changes that finally will take place will not simply be surprising, since they will include high level officials of the government whom PASOK holds deeply responsible for the policy that has been followed until now, but will also define a new political concept.

The names of the ministers are being discussed already in political circles, the ones who according to appraisals of the leading officials of PASOK cannot support a new political concept, either because they themselves have been connected with "old party views", or because their public attitude is not consistent with the position of a minister of a socialist government, or because with their political attitude they have created "polarizations with a hardening of positions"-as indicated by the prime minister himself when he was closing the meeting of the central committee-that do not permit a dialogue to get out of the crisis that already has permeated the social level.

Of course, these are the directions that now are being followed by the PASOK leadership, members of which believe the time of these changes will take place between April and May.

To what extent-and when exactly- these changes will take place is up to Mr Papandreou who has also to weigh in appraisal both the general political frame work as it will evolve in view of the dialogue that he is proposing with the parties of the Left, and the developments that will occur in our national affairs, after the forthcoming visits of the ministers of foreign affairs of the U.S., Mr Shultz, of Britain, Mr Howe, and the general secretary of NATO, Mr Carrington.

Beyond the changes that are expected at the government level, however, important changes are being pursued affecting all PASOK functionaries at the local and nomarch levels.

This is a procedure that will have been completed by the end of April and that is tied both with the election of officers that will be conducted within almost all of the bodies of the masses as well as with the thorough preparation of PASOK for the municipal electoral battle that is considered to be of decisive value to PASOK-and certainly, to a great degree, to the government itself.

Personalities Reportedly Involved

Athens I VRADYNI TIS KYRIAKIS in Greek 16 Mar 86 p 3

/Text/ A deep incision in the government with the removal of a large number of ministers and deputy ministers and the appointment of new ones is being arranged methodically by Mr A. Papandreou, shortly after Shultz' visit to Athens and without fail before Easter, according to well informed circles of PASOK that say: the reconstruction will be very wide.

These changes of people will be "balancing" changes of the new navigation course that Mr Papandreou imposed since the summer of 1982, not only on matters of a financial nature, but also of a political and especially foreign policy nature-a policy that has aroused many officials of the Movement, first of all the labor union officials who describe this as a "right turn".

This balancing-as it is described-will be pursued with an "inside turning" left opening of the government that seeks to diminish the impressions and the exaggerations of the last four months, reactions of the left wing of PASOK to the so-called "outside turning" "right" opening.

But the reconstruction has been designed to service the need of PASOK in going to the municipal elections. And from this point of view it is destined to service party interests. Consequently, it will be adjusted both in strategy and tactics to be followed by the Movement in the municipal elections. And because the strategy and tactics of PASOK are based on the creation of a wider alliance of the leftist forces, the "new" person of the government will be leftist on this criterion. And yet, to complete the adjustment of government personnel in view of the municipal elections, it is understandable that the new government will include one or two persons who come from the wider center left area, such as Mr Adam. Pepelasis who does not come from PASOK.

Political observers say that if the reconstruction is going to be of any use to the needs for the municipal elections, for one thing, it must take place at least six months ahead of them. If it is to accomodate the need to confront the leftist uprising within PASOK, for another thing, whose flag was raised by Mr Arsenis Friday, it must be done now, before the "rebels"(dropped labor union officials and dissatisfied leftist officials of PASOK) have a chance to act.

Who is Leaving

According to information from the same sources, the following ministers are considered to be among those who will be removed by the government: G. Mangakis (Justice) because of a statement he made concerning Mr Papakarya that committed the government. A. Drosogiannis (substitute National Defense) for reasons of health. N. Akritidis (Commerce) for his policy and for rents and prices. G. Papadimitriou (Transportation-Communications) is blamed for the failure in the "Olympic Air Force" and in the strike of the truckers. G. Moraitis (substitute minister of Agriculture) is blamed for the arousal of the farmers. In addition, for various reasons, mainly because of poor performance, the following deputy ministers are being replaced: Sekhiotis (Defense), Papaioannou (as a government representative),Roumeliotis (National Economy), Kaklamanakis (Health-Welfare), Katsifaras (Commerce), Moralis (Education), and Athanasopoulos (Finance).

Who is Coming In

It is believed that the following will be coming into the government: Mssrs A. Tritsis (minister of Transportation), V. Kedikoglou (Commerce), I. Degiannis (Justice), I. Skoularikis (substitute Agriculture), D. Paguropoulos (deputy minister of Defense), D. Maroudas (deputy minister Press), D. Rokos (deputy minister Education), G. Ktenas (deputy minister Health), S. Anastasakos (Commerce), G. Skandalidis (Finance), and St. Tzoumakos.

The position of substitute minister of National Defense probably is being occupied by Mr Io. Kharalambopoulos who occupies the vice presidency of the government.

Some deputy ministers are believed to be candidates, Mr Georgios Papandreou being one of the first, by being promoted to the position of deputy minister of Foreign Affairs with certain jurisdiction and a specific mission.

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POLITICAL GREECE

CHANCES OF ARSENIS-KKE (INT) COOPERATION WEIGHED

Athens TA NEA in Greek 9 Mar 86 p 10

/Article by Pantelis KAPSIS: "G. Arsenis, PASOK, and the Left"/

/Text/ The open proposal for cooperation made from Salonica by the president of the KKE (Interior), Mr Leonidas Kyrkos to Mr Gerasimos Arsenis, just two days after his removal, substantially passed unnoticed.

And it is true that the possibilities of such cooperation, at least for the near future, are minimal.

The two sides have substantial political differences, the most important being their concept of the EEC. The KKE (Interior) supported joining it, and at the present time, it continues to believe that our participation in the community, despite certain disadvantages, is financially necessary and politically beneficial.

To the contrary, Mr G. Arsenis, for a long time-when he was still a minister-has expressed the view that joining the EEC has negative results. Indeed, recently he started to talk about the "ideological imperialism" of Brussels.

In addition to this differences, however, the cooperation-in the sense of an organizational unity of course, and not of a common stance on specific problems-is hindered by the declared intention of Mr Arsenis to remain independent for a long period of time.

And because he believes that it is premature for him to make binding decisions immediately after the "surprise attack" of his removal, and also because he considers his area of reference as having been and still being PASOK. In this sense, he is willing to adopt a tactic of waiting, hoping that the friction in PASOK will continue and that he himself will become a pole attracting the dissatisfied followers and officials.

Of course, he is not the only one that is hoping for something like this. Similar views are shared by the removed labor union officials of PASOK who, at least for the time being, appear to be hesitant as to whether or not they should proceed toward the creation of a pure political movement.

Their relationship with Mr Arsenis still remain unclarified. It is known that in the past, many of them clashed with him. Since, however, the time that the two sides found themselves in the intraparty opposition, their relationship improved substantially.

Distrust

Some kind of mutual distrust remains, however, and it is not at all certain that their political evaluations coincide.

Perhaps their natural persistence in some demands of a narrow labor union character very probably will find Mr Arsenis opposed, while reference to 3 Sept in itself, no matter how useful it is ideologically, surely is not sufficient at the present time to justify the stigma of a political movement.

Therefore, the probability of this cooperation should be considered exceptionally doubtful.

It is certain, however, that both of the communist parties would like to have the dissatisfied followers of PASOK express themselves.

The KKE

Already since the June elections, the KKE had provided "shelter" to a number of former deputies of PASOK who participated in their lists as cooperative.

With its present proposal for unity of the Left, the KKE is taking one more important step that without fail, in addition to the KKE (Interior), has as a target the former officials and followers of PASOK. With these officials, indeed in view of the forthcoming municipal elections, it hopes to establish more permanent ties of political cooperation.

On the part of the KKE (Interior), it appears to be on the verge of a big decision: changing its title and its "post-development" into a wider left-socialist vehicle.

It is certain that this decision was definitely affected by the will of the leadership of the KKE (Interior) to express the powers that-it believes-will be released by PASOK.

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ALTERNATIVE LOCATION ADVOCATED FOR TRUMAN STATUE

Athens ELEVTHEROTIPIA in Greek 26 Mar 86 p 8

[Text] WHEREAS the bombing of Harry Truman's statue is now a fact, regardless of our opinion that we do not approve of any kind of dynamiting activity which endangers the life of civilians....

WHEREAS this particular statue has become the target of such actions in the past, endangering the safety of the neighborhood, as when we lamented the loss of one human life in a previous attempt....

WHEREAS even his own countrymen did not honor with a statue the president who has become identified with the Hiroshima and Nagasaki catastrophes....

WHEREAS the implementation of the Truman doctrine and the economic assistance it brought about did not lead Turkey--which profited equally from it--to such slavish awarding of honors as we did right here, by building a statue of Truman while he was still alive....

WHEREAS in the Greek ambiance Truman's name is tied to the worst period in Greek-American relations, the period of the civil war and the post-civil war "Americanocracy"....

WHEREAS it would be improvident to erect the statue in the same place to be an open invitation to potential terrorists and a permanent source of concern for the people who live in the area or simply pass by....

WHEREAS the statue stands right next to the Athens Conservatory, where thousands of children attend classes every day, while other children in the neighborhood play in the same square....

WHEREAS very few believe today that to erect a statue to a specific president of the United States while he is still alive was not an act denoting subordination....

WHEREAS nowadays the flag of national independence and national pride, which surely is not compatible with...adoring expressions vis-a-vis any leader of a foreign power--especially the one which always pursued suzerainty and "clientelism"....

THEREFORE, now that the statue in question is no longer standing, no matter what were the actions that led to it, there should be no attempt to erect it on the same spot. If the U.S. Embassy is willing, it should house it in its garden, which is quite large and extremely secure....

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POLITICAL GREECE

BRIEFS

ND GAINS IN WARD COUNCILS--Athens--ND triumphed in yesterday's ward council elections in Palai Faliro It placed first, with a considerable difference in votes from second-runner PASOK, while at the same time increasing its percentage by 5 percentage points with respect to last year, gathering 48 percent of the votes. More specifically in 13,668 valid ballots it received 6,532 votes; PASOK received 4,235 or 31 percent, KKE 2,364 or 17 percent, and KKE (int) 537 or 4 percent. ND triumphed also in the Khania ward council elections. Specifically ND received 34.6 percent and 39 seats, up from 26.15 percent and 30 seats in the last elections. PASOK received 39 percent and 42 seats, down from 41.1 percent and 44 seats. The collaborating KKE and Liberal parties received 26.4 percent and 24 seats, down from the 1984 31.67 percent and 39 seats. [Text] [Athens MESIMVRINI in Greek 3 Mar 86 p 7] 13186/12828

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POLITICAL ICELAND

PAPER EXAMINES UNION OF SOCIALISTS NEW CHAIRMAN

Reykjavik HELGARPOSTURINN in Icelandic 12 Dec 85 pp 26-27

[Article by Sigmund Erni Runarsson: "Gudmundur Einarsson"]

MP Gudmundur Einarsson was elected chairman of the Social Democratic Alliance at the party's national convention held last weekend. The meeting was attended by around 50 persons. Einarsson has become chairman of a party in difficulty. Its following has declined by a fourth from its greatest following according to the last HELGARPOSTURINN Poll. In the close up portrait of this active opponent of the system following there is an examination both Einarsson's political competence and leadership abilities.

[Text] Gudmundur Einarsson is a scorpio. He was born on the 5th of November [1948] in Reykjavik. His parents were Johanna Lara Palsdottir, housewife, and Einar Gudmundsson, clerk with the Icelandic Petroleum Company until last autumn when he retired from his post. His kinfolk on his father's side were from Borgarfjordur and Strond, more specifically, from Munadarnes in Arneshreppur. His kinfolk on his mother's side were from Skaftafellsslysla, especially Svinafell. Gudmundur Einarsson in fact spent a number of summers at the large family farm in Svinafell when he was around confirmation age. Gudmundur was the eldest of three children of his parents.

In 1950, when Gudmundur was three years old, his family moved away from the thickly populated area, as Gudmundur himself has worded it. But the move was an extremely short one, to Kopavogur. The city was, however, at that time only comprised of a few isolated houses, compared to what it became later. Gudmundur Einarsson lived in Kopavogur until 1983, the same year that he became a nationally elected MP from Reykjanes, when he moved from his electoral district to the capital and began to build his own family house. He was happy, however, with his new residence since it is situated so far up into Breidholtinn that he can reach his Reykjanes voters in a few minutes. He thinks that his house is only a hundred meters or so from the boundaries of his electoral district.

Gudmundur never presented any problems as a child. He was thought an especially quiet child. His mother said that there was never any need to discipline him. His mother added: "He was not exactly a shy child, but rather reserved and circumspect. He could be trusted completely. I could believe in what he said and did. He was also very obedient as a child. And then there was his interest in books...." She said that her son had learned to read by the age of six and became somewhat of an avid reader. He likewise did very well in school.

Gudmundur and Gudny Gudmundsdottir, now concert master of the Symphony Orchestra, shared the highest marks during all of their school years through the national examinations. Gudny Gudmundsdottir said that she remembered her competitor as a very quiet and serious young man who never took any part in rowdy school activities. Magnus Larusson, a farmer in Svinafell, also remembered Gudmundur as a quiet boy. "He was, however, no sissy and never nervous to any degree. He worked systematically and was good with his hands in an above average manner."

Jon Bragi Bjarnason came to know Gudmundur in the seventh grade and they have been friends ever since. Bjarnason said that his shyness had gradually left Gudmundur as he came almost to the end of his youthful years. It was too hard for him that way. But his gifts became more noticeable. As Bjarnason has said, Gudmundur was a highly exceptional leading student in high school to the degree that he was simultaneously very forward in social life. Fate determined that he always played a major role in the fun going on at school but the young Gudmundur always had a very clear conception of things and had god given talents."

It did not occur to Gudmundur to become an athlete or to compete in sports. Nevertheless, he made two good attempts in this area. On the one hand he went out for football practice, but the coach could find nothing better to do with him than to make him a guard. Gudmundur discovered that this was no fun. On the other hand, he did make an effort at track and field and was forthwith sent out to into the ring to cast shot. Gudmundur had a marvelous build during these years of youth, was never really corpulent and was skinny as a bone. But his interests lay in other areas besides sports.

Gudmundur took up the guitar. Halldor Fannar, a Reykjavik dentist and one of Gudmundur's school chums, once proposed to Gudmundur that they form a country music band. Since neither of them knew anything about performing music, other than four guitar arrangements that Gudmundur was prepared to teach, they brought Olafur Thordarson in with them as a kind of leader of the group which soon received the name 'Rokkarnir.' When Jon Bragi Bjarnason joined the group it was also called Kvidagilskvartettinn, when the occasion called for it. Halldor Fannar remembers that Gudmundur used to have a great deal of fun at it. "What do you know. I was there one time when he was really carrying on. He was a sly dog. But at the same time he was very convivial and honest."

No more was needed than to have Gudmundur and Jon Bragi leave the group and for Helgi Petursson to replace them for it to become nationally famous. After Jon Bragi Bjarnason and Gudmundur Einarsson passed their national exams, the name of the group was changed to 'Rio Trio' and people began to imitate it. On the other hand, very little was heard from Gudmundur Einarsson during his stay in the Reykjavik Secondary Grammar School. The Reykjavik Secondary Grammar School was at the time the only such school in the capital region and there congregated in it all factions from the entire region. There was a group of local people from Kopavogur, for example. Jon Bragi Bjarnason was Gudmundur's best friend but among Gudmundur's school mates in the Mathematics Department of the Reykjavik Secondary Grammar School were Gestur Thorgeirsson, cardiac doctor, Ragnar Steinsson, dentist, Thor Steinarsson, secondary grammar school teacher, and Kristinn Magnusson, civil engineer.

Gudmundur first became very conspicuous in life at the Reykjavik Secondary Grammar School when he entered the school's highest grade, the seventh. He was, among other things, chosen a member of his class council. Serving with him on the council were, for example, doctors Sigurdur Gudmundsson, Ottar Gudmundsson and Magnus Jonasson. That which catapulted Gudmundur to stardom was his participation in seniors night that year of his education. Erlingur Gislason directed the Beggars' Opera and there was no choice but to choose Gudmundur for the title role of the complicated work of John Gay. Gudmundur was brilliant as Mack the Knife. His interpretation of the role was thought to be exceptionally good for a beginner. He sang and danced on the stage like a seasoned performer. The opera was performed at the National Play House and was especially well attended for a school play.

Gudmundur was very popular at school after that. His self-confidence rose correspondingly. It thus happened that no school party could take place without the good fun that Gudmundur came to represent for students. He became a real lady's man but Halldor Fannar claims that the girls were more interested in his character than his appearance. His appearance was nothing special compared to others. However, he radiated something, according to women we contacted for the portrait. Steinunn Sigurdardottir remembered him for example as a party-goer: "Gudmundur was the life of the party in every sense of the word. I think that the term was invented with him in mind. He was at least the center of everything whenever people had a good time..."

Gudmundur's abilities as guitarist helped considerably in this; also his voice: "He had a deep and masculine voice which sounded good to people," said Jon Asbergsson, director of Hagkaupa. He and Gudmundur were close friends during all their years at the secondary grammar school. "Gudmundur became an enormously good fun lover. He was well qualified to be so," added Jon Asbergsson. "I remember how Vilmundur Gylfason nominated Gudmundur as most talented musician of the 7th class," noted Logi Jonsson, reader. He was Gudmundur's fellow student in the Reykjavik Secondary Grammar School. In fact, Gudmundur was never called anything other than Gvendur the spinner during his last year at the school. "He sang 'Sixteen Tons' better than Tennessee Ernie Ford himself," recalled Einar Thoroddsen, teacher, who was in the same class as Gudmundur. "We heard him sing all the time to the same melody: 'the two of us pass along, the two of us pass along in the twilight.' Thus the life of the party was in high spirits," Logi Jonsson recalled. Jon Asbergsson also noted that Gudmundur very often played and sang adaptations of Kris Kristoffersson during these good old parties. "And they harmonized their voices very closely with one another."

The influence achieved by Gudmundur's voice is no better indicated than in the following story of Jon Bragi Bjarnason: "I Introduced Gudmundur to Vimmi, when he was school inspector. They quickly became fast friends. It was one Friday evening after that when Vimmi and I were at Gudmundur's house on Aragata and did not know what to do with ourselves. We decided to pour a little into our glasses and to enjoy ourselves properly we resolved to call upon Gudmundur Einarsson to begin a concert with us. At about our 17th song the educational counselor looked in on us. He had just returned from a visit to a lady and only told us to keep singing if we wanted to. We do so, bade Gylfi good night and continued singing and drinking. This was in spite of the fact that the next day was a school day. We finally halted about 7:00 and went in misery to school. But what Vimmi heard from his father later that night was no scolding for what had happened: "Who was the wonderful bass voice singing with you all night my Vilmundur?"

Gudmundur graduated from the Reykjavik Secondary Grammar School with highest honors determined to become a doctor, just like a great many other of his fellow students from the school in fact did. But in the end he became bored with this choice of an occupation and Gudmundur decided to study biology, which had just begun to be taught in the Haskoli, instead. He has said that he quickly became fascinated by the subject, although he has not the slightest idea of the source of his interest in biology. Gudmundur passed his BS examinations in biology in 1973 and students that were at the Haskoli at the same time that he was say that the period was little eventful for him. The most important thing for him was his participation in the environmental movement, founded in the Haskoli at the beginning of the 1970s. This was his first political activity.

Gudmundur's graduate education in biology had some connection with the study of nervous systems, experimental methodology and psychology. He undertook his graduate work in the University of Birmingham. He gained his master's degree after 12 months of difficult study. He returned to Iceland in 1976 after having participated in a substantial amount of biological research in Birmingham. Johann Axelsson, professor in the Haskoli Research Institute tried to rope in Gudmundur. Axelsson had gotten to know Gudmundur when he had studied in the research institute for a winter after just completing his BS degree. In the spring of 1974, Gudmundur had taken Drofn Olafsdottir, daughter of Olafur Olafsson, a Reykjavik merchant, and Sigrun Eythorsdottir as his wife. Gudmundur Einarsson and Drofn Olafsdottir, who was brought up by foster parents, have one daughter, Olofa. She will be seventeen this year a week from Friday.

Johann Axelsson feels that the best thing that ever happened to the institute that he heads is having gotten Gudmundur Einarsson: "If being a good man has any meaning any longer in Iceland then Gudmundur is such a man. He is a person of the highest quality." Logi Jonsson, who worked with Gudmundur at the Research Institute, said that Gudmundur is above all a good scientist and a careful scholar. He does everything very carefully, puts everything down on paper and for this reason it is very easy to follow up on his work or to work with him. He is quick to grasp the essentials of what he is doing and it is among other things because of this that he is a fine teacher with a good reputation.

Students say that he is a very lively teacher, is clear and circumspect in his teaching and his exposition of fact is particularly clear. Johann Axelsson says: "Gudmundur has the fine ability of simplifying things without oversimplifying them. Lektor Jon Bragi Bjarnason recalls a time when he saw Gudmundur teaching a class of 100. "It was an amusing sight. Gudmundur's body twitched, his long legs akimbo. He was to be sure only in shirt sleeves and that was unbuttoned and had begun to sweat slightly. The knot of his tie had fallen to the middle of his chest."

The specialty of Gudmundur in biology is the ability of fish to hear and see. To the same degree that he is unaware of where his interest in biology came from so he is unable to say why he choose that specialty within the discipline of biology. But he enjoys it, "it's crazy," he says and dwells on the sound of the word. Johann Axelsson says that Gudmundur's capacity for work is enormous and for this reason he has had, for example, very good results in his research on his own. "You know, you can rely upon Gudmundur to do his job," continued Johann Axelsson. "I feel rather guilty about the way that I have piled work on him since I knew that he could be relied upon to do it. The professor added: "We miss him very much."

It was very unexpected when Gudmundur Einarsson stood for election for the Social Democratic Alliance during the 1983 elections and those surprised included his closest friends and associates. They did not know Gudmundur Einarsson the politician. Jon Bragi Bjarnason says: "Vilmundur wanted to ally Gudmundur with himself since he had enormous respect for Gudmundur Einarsson the man. He asked me to talk to Gvendur, which I did. Gudmundur was not entirely willing at first, but said that he would think the matter over. His wife, Drofn Olafsdottir, said that she had thought the idea very serious and little interesting at first. "Later, when Gudmundur decided to run, the first thing that occurred to me was a certain alarm and dread. I just could not imagine what influence Gudmundur's serving in the Althing would have on our family life."

Gudmundur's friends say that he has not changed since becoming an MP. Bjarnason thinks, however, that he has become a little more serious. But it does not slow him down by any means. Nothing limits him for example when he takes his guitar in hand. "Kristoffersson still bursts forth from him when he is surrounded by good friends, with always the same familiarity and enthusiasm," said Jon Asbergsson, who, like other close friends of Gudmundur, were amazed by his running for the Althing. Asbergsson, on the other hand, said that as an Independence Party man he is particularly happy with what his friend's leadership in the Austurvollur:

"I have been in agreement with him in many areas," he said. "It should not be forgotten when discussing the political knowledge of Gudmundur Einarsson that he has come to the Althing completely without preconceptions. He is uncorrupted. I find him to be very sincere in his challenge to the system." Jon Bragi Bjarnason said that he could agree with calling Gudmundur Einarsson sincere but said that also characteristic of Einarsson as a politician is that he advances his cause with great adroitness and clarity.

Stefan Benediktsson also emphasizes this characteristic of Einarsson. "In spite of how few of us there are in the Althing, I think that none of our opponents can deny the fact that Gudmundur Einarsson is a political heavyweight. This is due, among other things, to his good ability to see the right thing and to make distinctions. For this reason people listen better to him than others." Stefan Benediktsson added: "This is his innate quality and at the same time something that he has learned." Johann Axelsson also thinks that this is something which he has learned: "Gudmundur's scholarly training, it seems to me, has been of much use of him in the Althing. He has a discipline of thought that helps him to ask the right questions."

Jon Baldvin Hannibalsson says that he has encountered the scholar in Einarsson in the halls of the Althing. For example, his analogies are often drawn from biology. Still other politicians assert that rationalism and a scholarly way of thinking could accommodate themselves very well to the Althing business--although the situation is normally the opposite. But it is a conspicuous and in the view of some overwhelming part of Einarsson's modus operandi that his education should hinder him as a politician. In the words of one Social Democratic Alliance man: "He is a political rebel and in fact is sick of politics. His training as a bacteriologist have made him all too patient and given him the will to compromise that has, among other things, found expression in his willingness to settle for compromise even though success is not achieved thereby.

Another Social Democratic Alliance man said that he missed decisiveness in Gudmundur's way of operating and that his difficulty in making decisions harms him. This is something that has hurt the party. The man said: "Gudmundur Einarsson is extremely discerning and would be very good at controlling a 20-man Althing delegation. A small party such as the Social Democratic Alliance, on the other hand, needs another kind of MP--and I am saying nothing about Gudmundur as party chairman--than Gudmundur Einarsson to hold its ground. People simply must be different in a four-man Althing delegation which wishes to be different. Members of such a delegation should be cooler and more decisive. Gudmundur's refrain, for example, when matters are taken up is too often: "There is another side to the issue!"

"The man needs always to have a complete understanding of issues. The Social Democratic Alliance cannot afford a person so careful and conscientious as Gudmundur Einarsson," the same source continued. "He is not the type that a revolutionary party needs. This is clear from how he behaves in the Althing. This has the following results: When the results of the last poll carried out by HELGARPOSTURINN on party following were issued, and it became clear what a loss the Social Democratic Alliance had suffered, a wave of sympathy swept through the Althing. If the Social Democratic Alliance had successfully advanced its cause, there would have been applause in the chambers of the Althing when the news was announced. People are shocked at the prospect of preparing to get rid of that plague at the middle of the system, the Althing."

Gudmundur Einarsson's politics center first and foremost on a change in the political system which he thinks a precondition for better living conditions. He brought this view into the Social Democratic Alliance after the Alliance of Liberals and Leftists fell out of the picture. In the quarrels this summer about what points the party ought to emphasize, Gudmundur Einarsson stood isolated among his opponents. He choose to attempt to maintain the unity of the party, something which many of those still in the party blame him for. They wanted the then head of the party Althing delegation, Gudmundur

Einarsson, to cut the matter short and pack the opposition off back where they came from, "which is naturally nothing more than a party of four."

Many of Gudmundur's allies do not deny that they think that what he achieved this summer was little more than appearance, a good snow job. Gudmundur Einarsson's forbearance greatly damaged the Social Democratic Alliance this summer," asserted one party protagonist. Gudmundur Einarsson responds to such a statement by saying that he did not use the power of the national convention to make trouble. He was only chosen by three persons as party Althing delegation chairman. He also notes that one of the most important things for him in regard to the Social Democratic Alliance is the principle that no one should go around with a whip and round up an army.

So it seems that in recent weeks just the man has been chosen for the task. Many are very much opposed to the way in which Einarsson proposes to lead the Social Democratic Alliance. Many of his colleagues from the sciences and likewise from politics praise his political abilities and lay great emphasis on the fact that good things are to be expected from him. Members of the Social Democratic Alliance note, on the other hand, emphasize that it is good to work side by side with Gudmundur Einarsson, but not under him to the degree that he is good at monopolizing things, at preventing others from doing what they like. Still others think it impossible for one person to have as much "patient attention to small detail" as Gudmundur Einarsson and fear that people will not be able to work well with him. "Gudmundur Einarsson is a too much a liberal, I think. He is not the type of keep his resolutions over the long term and never without making things complicated. Stefan Benediktsson is, on the other hand, very much the prima donna. Gudmundur Einarsson was chosen chairman as one of two bad choices: people could not take the risk of electing Benediktsson again. But it is absolutely true that Einarsson will discuss matters with people before coming to a decision."

Jon Baldvin Hannibalsson said that if it is true that Gudmundur Einarsson lacks toughness then nothing much can be expected of him as chairman. "Toughness is expected in party chairmen," as a Social Democratic Party man worded it. Stefan Benediktsson said, on the other hand, that he had no concerns whatever that Einarsson will be able to do what has to be done. "The only concern that I have with regard to Einarsson as chairman is that he will try to do too much of the work himself. Few men realize what a great workhorse he is." Olafur Ragnar Grimsson: "Gudmundur Einarsson has taken upon himself the task of making changes in the political system popular in Iceland, changes which Vilmundur Gylfason, one of the greatest agitators ever produced by Iceland, was unable to achieve except in small ways. For this reason I have no confidence that Einarsson will be successful, in spite of his many virtues, of giving the Social Democratic Alliance the power that it will need to be anything more than a minor party in the future."

When Gudmundur Einarsson comes home he wants to discuss anything but politics. His friends--besides Jon Bragi Bjarnason and Jon Asbergsson, mentioned above, we may mention Fridrik Palsson, with The Sales Headquarters for Icelandic Freezer Plants, and lawyer Hallgrimur Geirsson--say that he is certainly shocked by things that come up in their conversations which he finds unjust but that he is not naive. He retains his sense of humor in the face of everything. Gudmundur Einarsson is a fighter in his way but no miracle man. There is rather a great deal in his sense of humor which tends to fix on little things in his environment. His wife, Drofn Olafsdottir, agrees with this. She tells the following story that she feels is typical of her husband. "We decided once to take up skiing. The next day Gudmundur did not just rush out to the nearest sportswear store and buy equipment. No, he first went to the bookstore and purchased various books on the history of ski sporting, ski instruction and training and likewise books on what lubricants are best under various conditions. We first went skiing after he had read it all in preparation."

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SVAVAR GESTSSON FINDS PEOPLE'S ALLIANCE CHAIRMANSHIP DIFFICULT

Reykjavik MORGUNBLADID in Icelandic 21 Dec 85 p 9

[Commentary by Staksteinar: "Struggle in the People's Alliance"]

[Text] Svavar Gestsson was reelected party chairman at the last national convention of the People's Alliance Party. Events of recent days, however have shown that he is no longer the leader of the party. This week he suffered defeats in votes within the party executive committee and within the party Althing delegation and further news about the power struggle within the party is expected. Olafur Ragnar Grimsson and Ragnar Arnalds seem determined to see to it that the party chairman not be able to find out what his real position within the party is.

Resolved by the Party Executive Committee

The People's Alliance Party Executive Committee, chaired by Olafur Ragnar Grimsson, made a resolution on Monday concerning the bank council issue, something that has caused great disquiet within the party. There were three articles in the resolution of interest here. First of all, it was stated that it would be improper for the departing council of the Credit Bank to be reelected. The entire council should be replaced. Secondly, the primary rule is established that the party Althing delegation should not nominate individuals for the bank council of the Icelandic State Bank. It is added that this rule will be put into force gradually and that members of the party presently on bank councils from the Althing group will be subject or not subject to the new rule on reelection as they desire. Finally, there was in the resolution of the party Executive Committee a new interpretation of the laws on bank privacy. The view of the committee is that the laws do not prevent "members of bank councils, bank managers and ministers with responsibilities in the banking area from offering definite help to the Althing and to the public in general through statements regarding the condition of the state bank in question..." The resolution then goes on to say: "The Executive Committee lays emphasis on having bank council representatives of the People's Alliance fulfill the obligation to make such statements."

Gestsson Defeated

The Executive Committee resolution was passed 11 votes to 2. Only party chairman Svavar Gestsson and MP Steingrimur J. Sigfusson voted against the proposal, although several persons abstained. This outcome was accounted a victory for Olafur Ragnar Grimsson and his followers, which have been waging a great struggle against the so-called "party owners." The outcome is at the same time a defeat for Svavar Gestsson. And this is not the first time that Olafur Ragnar Grimsson has defeated him in the party Executive Committee.

MP Gardar Sigurdsson is not on the party Executive Committee but he does have a seat on the Credit Bank Council for the People's Alliance and it is against him that the resolution is primarily directed. The resolution is a vote of complete lack of confidence in Sigurdsson while People's Alliance proponents have been extremely uncomfortable about the fact that in all the discussions regarding Hafskip Inc. and the Credit Bank it has been possible to point to the fact that a representative of the party sits on bank council and has exactly the same responsibilities as the other members of the council. Sigurdsson has been unwilling to breech the system of bank privacy, which has been heavily criticized by Olafur Ragnar Grimsson in the Althing, and it is unlikely that he will mend his ways with the new interpretation of the laws on bank privacy by the party Executive Committee lying before him. "It is nonsense," said Sigurdsson in an interview with MORGUNBLADID when he was asked his views on the Executive Committee resolution. He said that the issue concerned the party Althing delegation and that the Executive Committee had nothing to do with it.

The People's Alliance Executive Committee made its resolution on the bank council issue late on Monday, but it was not until afternoon on Tuesday that it become known. This is very irregular and is indicative of the hue and cry that arose in the party when it became clear that the party chairman have been utterly defeated in a vote and that a resolution of no confidence had been passed against a party MP.

The People's Alliance Althing delegation is in a real dilemma on account of the Executive Committee resolution. Some MPs wish to curry favor with the Executive Committee and remove Gardar Sigurdsson from the Credit Bank Bank Council and Helgi Seljan from the Agricultural Bank Bank Council. Others do not think this necessary. The outcome of the dispute will probably not be known before tomorrow when a joint session of the Althing chooses bank councils for the state banks. It is, however, clear that whatever the decision it will have unpleasant consequences.

The Party Althing Delegation is Still Split

The People's Alliance people are likewise split in their positions on the fact finding committees that the Althing has called upon the Icelandic Supreme Court to create to look into the relations of Hafskip and the Credit Bank. Agreement has been obtained between the opposition and coalition parties to expand the scope of the committees and to grant them increased powers. However, the People's Alliance proposal that seven members of the Althing also take part in the activities of the committees was rejected. As a consequence of this there has been a division of opinion in the People's Alliance Althing delegation as to whether or not the proposal on the fact finding committees should be supported as altered by the Althing or whether party MPs should abstain from supporting it and make clear their dissatisfaction with it. When the vote was taken, the view that members should vote for the proposal prevailed. Ragnar Arnalds, chairman of the party Althing delegation, was largely responsible for bringing this about. Svavar Gestsson, Steingrimur J. Sigfusson and Skuli Alexandersson were opposed. When the proposal came to a vote in the Upper Chamber of the Althing, Skuli Alexandersson changed his mind and voted for the proposal, as did the other members of the People's Alliance in the Upper Chamber. When the proposal was presented to the Lower Chamber the night before yesterday, Svavar Gestsson, Steingrimur Sigfusson and Gudrun Helgadottir abstained while Gardar Sigurdsson, Geir Gunnarsson and Gudmundur J. Gudmundsson went along with the majority.

Criticism of THJODVILJINN

In a THJODVILJINN lead article yesterday written by Ossur Skarphedinsson there is criticism of the position of the majority of the party Althing delegation on the organization of the fact finding committees. The demand is made there for a more open investigation (something that would be completely contrary to all the normal rules) and it is asserted that the majority of the membership of the Althing and of the government have something to hide. "What are they afraid of? What is it that the Independence Party is afraid to bring into the light of day?" asks Skarphedinsson. People do not need to look too closely to see where this dart is being directed. It is a majority of the People's Alliance Althing delegation that has cold feet about grappling with the Hafskip issue and has voted in such a way concerning fact finding that THJODVILJINN has characterized as "sweeping the dirt under the rug." People are now tensely awaiting the reactions of Olafur Ragnar Grimsson, who has had little to say in days past. The struggles within the People's Alliance Party are clearly not at an end.

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MUNICIPAL ELECTIONS SET FOR 31 MAY, 14 JUNE

Stockholm NORDISK KONTAKT in Norwegian No 3, 1986 p 41

[Unattributed report: "Voting Age Expected to Be Lowered to 18"]

[Text] An agreement has been reached among the parties that the municipal elections in the spring should take place in two steps, 31 May in the larger towns and villages and 14 June in some places in the districts. This is in agreement with existing law, while a proposal for a new law regarding the municipalities which is before Parliament assumes that there should only be one election day, the second Sunday in June.

Opinions are very divided in the government parties whether the election should be so late in the larger towns and villages after very many have started their vacation in the middle of June. It is not certain that they will succeed in completing discussion of the proposal for a new municipal law in time before the election in the spring, and therefore an attempt is made to reach an agreement among the parties now.

Fridrik Sofusson, deputy chairman of the Independence Party, also stated that the voting age in the municipal elections will be lowered to 18, and that a special new law will be adopted in this regard, if it should prove to be necessary in case the new municipal law will not be passed before the election.

Fridrik Soffuson told that there is agreement among the parliamentary groups to lower the voting age to 18 right away this spring.

The parties have already started to prepare the municipal election. Recently test elections have taken place in various larger communities in the parties in connection with the nomination, and several such test elections are to take place very shortly. However, this is somewhat different according to parties and districts. In some places test elections are held, in other places opinion polls, and in several places the parties put up candidates without such preparations.

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POLITICAL ICELAND

PAPER PROFILES FOREIGN MINISTER MATHIESEN

Stockholm NORDISK KONTAKT in Norwegian No 3, 1986 pp 67-68

[Text] Matthias A. Mathiesen, who started as Iceland's foreign minister on 24 January of this year, has been a member of Parliament for the Independence Party for over a quarter of a century. Over a number of years he has been one of the party's most important spokesmen in the areas of financial and trade policy. He was finance minister in Geir Hallgrimsson's government 1974-78 and minister of commerce in Steingrimur Hermansson's government from May 1983 to October of last year.

Matthias is about 54 years old and was born in Hafnarfjordur on 6 August 1931. He took his university entrance examination in 1951 and completed his university law studies in 1957. He became an attorney in 1961 and was admitted to present cases to the Supreme Court in 1967. From 1967 to 1974 he had a law office in Hafnarfjordur. From 1958 to 1967 he was manager of the Hafnafjordur savings and loan association.

Matthias was elected to Parliament in the spring of 1959, when he was barely 28 years old. Thus, he started his parliamentary career the same year as the long and fruitful governing, "reconstruction" period of the Independence and Social Democratic Parties. That lasted 12 years, until the spring of 1971, when the left parties received the majority in Parliament. That time was characterized by fast economic growth and freedom in commerce and industry. During the government term of the left parties 1971-74, Matthias was the opposition's most important spokesman during the budget negotiations in Parliament, and when the Independence Party was again in charge of government after large victories in the parliamentary elections in 1974 he became finance minister.

As finance minister, Matthias granted public employees the right to strike in 1977. The government was in severe conflict with the unions and the public employees, in particular in 1977 when wage agreements were made which were much higher than the compensation levels of industry, and in the election year 1978. The government was defeated in the election, and many believed that the finance minister in this government would have difficulties in his career in the immediate future. However, such predictions were wrong, and when the Independence Party became again part of the government in 1983 after having been in the opposition for five years, Matthias was appointed minister of commerce. As minister of commerce Matthias initiated various changes in the price, bank and currency sectors which earned him praise from liberal quarters. He abolished various price restrictions, gave the banks and savings and loan associations increased freedom to make their own decisions regarding interest matters, abolished a special tourist tax on currency, gave people permission to use credit cards abroad and made it easier for people to take their property out of the country so that it is now possible to do this in the course of two years, while it took 15-20 years previously. Of these changes the increased interest freedom of the lending institutions had the greatest impact. It has led to a considerable increase in deposits in banks and savings and loan associations and has enormously increased the opportunities for owners of savings to earn a profitable return on their excess means. During the last months of his term as minister of commerce Matthias was involved in examining the Icelanders' market opportunities in Asia, where they had few trade connections so far. A few days before he stepped down as minister of commerce, he traveled with a group of business people and senior officials through the East and explored possibilities for a mutual exchange of goods. After he assumed the post as foreign minister he stated that he was interested in having these matters looked into more closely.

Matthias stated that he would continue the course in the Icelandic security policy which his predecessor Geir Hallgrimsson had drawn up. When Geir became Foreign Minister in 1983 he decided to advocate that the Icelanders themselves should be able to evaluate their security interests regardless of other nations in this area. He expanded the defense section of the Foreign Ministry and started preparations for the Icelanders to get their own experts in security and defense matters.

The new foreign minister is well known among Scandinavian politicians. He participated in most sessions of the Nordic Council since 1962 and was council president 1970-71. He also actively participated in the NATO organization of parlamentarians and was its chairman 1967-68.

Matthias is married to Sigrun Porgilsdottir.

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SMALL RIGHTIST PARTIES VIEW COALITION WITH CDA, VVD

Amsterdam DE TIJD in Dutch 7 Mar 86 pp 14-17

[Article by Tom-Jan Meeus: "The High Price of the Small Rightist Parties"; first paragraph is introduction]

[Text] Now that a majority has once again become elusive for the CDA and the VVD, a burning question must again be raised: should the coalition continue with the support of the small Christian parties? The heads of the tickets of the smaller parties are demanding a "relatively high price," but they are willing. And CDA chairman Bukman is not ruling anything out.

Could they imagine themselves as cabinet ministers?

Meindert Leerling (RPF [Reformist Political Federation]), with uncertainty: "Well... no."

Gerrit Schutte (GPV [Reformed Political Alliance]), firmly: "Oh no, I am a member of parliament, and I hope to remain so for a long time."

Bas van der Vlies (SGP [Political Reformed Party]), cautiously: "My modesty requires me to say that I had better not make a statement on that right now."

One regularly gets a surrealistic impression when talking with the lead candidates of the three small Christian caucuses in the Second Chamber about something like governing. They are prepared "to enter into an open discussion in the cabinet formation talks," they do not "shun government responsibility," and they feel a need to present themselves as "a full-fledged government party." As if this had anything to do with reality.

And yet, if the portents are not deceiving, reality could indeed have a strange look after the May parliamentary elections. Two and one half weeks before the day of the city council elections, the CDA and the VVD are still under 75 seats in the opinion polls, and in view of the universally discerned bandwagon effect of the local elections, the situation after 21 May could indeed show the exact same picture. In that case, we will undoubtedly face an extremely fascinating cabinet formation process, whereby the Staphorst variant [scenario in which CDA and VVD need support of small rightist parties to govern] is not being ruled out as a possible outcome--not even by CDA chairman Piet Bukman.

Indeed, whoever did not turn all of his attention last week to Bonkevaart, Bartlehiem and Evert van Benthem did in fact have prospects of Staphorst in mind. This because the coming of the cruise missiles to Woensdrecht has been definitively approved by Parliament, thanks to the SGP, the GPV and the RPF, without whose support the coalition would not have had a majority. Staphorst is now seen as being in the service of the cabinet, the missile and Woensdrecht.

And there was more last week. In the euthanasia issue, the greatest amount of attention was given to Ed Nijpel's floating party, but the cause of all this was nevertheless the fact that the CDA for the first time in quite a while took the same line as the small Christian caucuses with respect to an immaterial question.

The influence of the small Christian parties should not be overestimated, nor should it be underestimated. Thus--and in part because of the opinion polls, which are far from propitious for the coalition--we thought it was not a bad idea to ask the lead candidates of the three parties, which won six seats in the 1982 elections, how they plan to contribute to the coming of a second Lubbers cabinet. Do they like that idea? What is their price? How are they going to lead their campaigns (against the CDA)? And: what does Piet Bukman think of this?

The most fascinating of the talks with the three lead candidates is the one with Gerrit Schutte, the widely praised parliamentarian of the GPV.

[Question] Let us say that the elections turn out exactly as the polls are now indicating: just short of a CDA-VVD majority. And let us say that subsequently a cabinet formation operative comes to you to help make such a coalition a workable majority. Do you then say that you want to take part in that cabinet, or do you prefer the approach of silent support without active participation?

[Schutte] "Of course, the first point is: do the CDA and the VVD want it? But even if they answer this question in our direction, it seems to me to be improbable, out of numerical considerations alone, to think about participation in such a cabinet."

[Question] As far as you are concerned the debate is in fact only about the possibility of passive support for such a coalition?

[Answer] "Well now, passive... The question is: are you ready to lend support to such a cabinet in some fashion? We will certainly enter into the debate that must be conducted about that because we are a serious party."

[Question] And then the operative asks: Mr Schutte, what is the price for your support?

[Answer] "Then I say, here is our platform, in which we indicate exactly what our priorities are and what our focal points are, let's have a reaction. Which points are most important for me? It's not right at precisely this moment, 3 months before the election, to provide a ranking in the sense of: this is worth 10 points, that is worth 9, and this 6. People know our platform, they know which points are so important to us that there is no compromising on them. If other people want to reach a compromise with us on these issues--and most people do know what we are talking about--then that is impossible. The example of euthanasia is of course quite obvious at the moment; a solution in which we assume joint responsibility for any form of legalized euthanasia is thus impossible. But of course this does not mean that talks on a coalition would then come to a halt. You can assume that in such a situation all sorts of variations will turn up that cannot be calculated right now."

[Question] That sounds cryptical.

[Answer] "Look, right now the CDA and the VVD are also debating a matter of principle like euthanasia. In this as well, a conclusion must be reached at some point. Now, you can reach conclusions in terms of content, but you can also reach conclusions in terms of procedure. There is something of a difference there."

[Question] But let us say that you do not want to bear any responsibility for a confromise on euthanasia by the CDA-VVD coalition. Do you then drop your support of this type of minority cabinet across the board?

[Answer] "You cross that bridge when you come to it. It cannot be assessed right now."

Schutte is thus not sharpening his knives yet; he is waiting things out.

Meindert Leerling has indeed sharpened his knives, but they are not that sharp.

[Question] The cabinet formation operative comes to talk to you about participating in the government. What issues do you definitely bring up?

[Leerling] "I do not say: these demands must be accommodated if the support of the RPF is to be reckoned with. But something will have to be put forward. RPF participation will have to be honored in the policy that is to be pursued. And I am certainly not an advocate of a variation whereby the small Christian parties lend passive support. That is a bad thing. We either keep our hands free or we participate, but then in a real sense. A price must be paid, naturally in proportion to the number of seats that you provide, but if there is that much of a desire to have us there, then a disproportionately high price will probably have to be paid for it. That's politics, after all."

[Question] What does that disproportionately high price consist of?

[Answer] "It is probably good to say that our platform also makes clear statements about material issues. It's not a situation of 'if the RPF gets something in the area of pro-life legislation, then you can just play around with them in other areas.'"

[Question] Aside from the fact that the greatest differences will be in the immaterial realm.

[Answer] "Well, take the individualization concept. This has everything to do with income policy, social security, the tax system, you name it. This is a serious issue for us."

[Question] Emancipation policy?

[Answer] "Yes, things like that as well. Of course, that is partly an ethical question, but it also touches on socioeconomic policy. But I must say that it will always be a question of give and take."

[Question] Although of course there are limits. Abortion, for example.

[Answer] "Pro-life legislation is very important to us. This issue will continue to play a role in politics in the years ahead, and we will clearly raise our voices correspondingly. But I'm not going to say at this point what our limits are."

[Question] Can we assume that you could potentially come to support some form or another of active euthanasia? Do you have a clear opinion on this?

[Answer] "Of course. And we will never deviate from it. Legal regulation of the termination of life on demand is unacceptable to the RPF."

Leerling tones down the possibility of cabinet participation. "The large parties will indeed have to submit to us if they are going to have to come asking us for structural support. They are going to have to make sacrifices. But I think that the CDA and the VVD hope with all their hearts that they will not need us. And for me it remains to be seen whether the CDA, faced with a choice between the PVDA and the small Christian parties, will then choose us. So yes, as far as we are concerned, that option is open."

[Question] Is your party willing to take a seat in a cabinet with Kappeyne in her present post with her present policy?

[Answer] "I don't agree with that policy, but I am just as unwilling to erect obstacles to individuals beforehand. I won't do that."

[Question] And Minister De Koning, who recently defended the proposal on obligatory labor in Parliament against the wishes of his own party, the CDA?

[Answer] "I don't agree with that either, but that as well does not need to be an obstacle to possible participation by the RPF in a cabinet in which Minister De Koning has to defend a different policy than he is doing now."

[Question] You are actually quite lenient right now.

[Answer] "I don't think that I have to be too public about our list of demands at the moment. We have a platform, and if it comes to that it will be a question, as I said, of give and take."

The head of the SGP ticket, Bas van der Vlies, is having difficulty being concrete. He wants to cooperate, he says, but he is not willing to commit himself. He appears to always be thinking that the CDA could be frightened off--but that could be a misunderstanding.

After some urging, he goes this far, but no further: "You know that our political objectives contain quite a few points of principle that are so essential that it would be difficult for us to abandon them. Apart from that, we live in a reality, in a society, in which a majority feels that that is indeed possible. Well, for us that is the political reality. We exist inside it, we assume our responsibility inside it. And that also determines the extent to which our ideals can be realized."

[Question] But from what you are saying now, it appears as if you are open to persuasion about any issue. Is this not the case?

It is not the case. Van der Vlies: "We continue to insist that assisting in the voluntary termination of life cannot be legalized just like that. There is one power, God, our Creator, who gives life and takes life away. That is our starting point."

The unwillingness of all three parties to compromise on immaterial questions is thus solidly intact. This is consequently the price that the CDA and the VVD will potentially have to pay for the support of the small Christian parties. It thus appears that we are not any closer to Staphorst. But these gentlemen also recognize that they could become an inevitable partner. Or, as Van der Vlies puts it: "Naturally the CDA sees the opinion polls too. And they have recently been displaying an unambiguous image. I assume that one can see where that situation could lead."

And yet there is another question that is perhaps more interesting. As we stated earlier, it appears that the CDA is taking increasing notice of the small Christian parties, certainly since the rise of the RPF in 1981, which is often explained as being because of its somewhat libertarian position with respect to the morality legislation of then-Minister of Justice De Ruiter in the first Van Agt cabinet. Does the CDA position on euthanasia not demonstrate that the Christian Democrats are again turning increasingly to the small Christian parties?

Schutte: "It's not a set process, but the position in matters of principle of the small Christian parties has certainly had an influence on the CDA's determination of positions leaning in our direction in a number of matters. Compare the preliminary bill on equal treatment introduced by Mrs Kraayeveld-Wouters in 1980 with the cautious reaction within the CDA caucus now. And compare the the change in position within the CDA caucus on obligatory labor. All areas in which it appears that parties such as the GPV, the SGP and the RPF have influenced the position of the CDA caucus."

[Question] Isn't that exactly what you want? Can you hope for more?

[Answer] "The fact that we have influence does not mean that we have enough influence. The bigger we become, the more influence we will gain."

All three parties are very aware of the fact that their influence will only increase if they hammer away at the euthanasia issue during the campaign--whereby they are the only ones who say that it is in fact an issue for the electoral campaign. Van der Vlies: "I cannot imagine that the possible legislation with respect to euthanasia, which is now occupying the hearts and minds of so many, can be kept out of the campaign. Issues of life and death are of essential significance to all people. Well, in that case we feel that the voters should have a clear image of where their party stands on that issue. We will certainly not polarize people on this issue or talk about it in nuances, but certainly with determination and based on principles."

And Leerling: "Of course euthanasia must become an election issue. I think that it should play a very central role. Not to raise a bunch of trivialities, but to let the voters know where the differences are. I would consider it unjustified if it were not a topic in the electoral campaign."

The small Christian parties would certainly not emerge in a bad position from this test in terms of campaign style.

Ultimately, the question remains: are the CDA and the VVD potentially willing to cooperate with the small Christian parties? CDA chairman Bukman put it this way: "Our first option is that there come about a cabinet based on a good, considerable parliamentary majority. Thus, we would prefer to not be dependent on the small rightist parties, the small leftist parties or anything else that is small."

[Question] But are you ruling out the possibility of cooperation with the small Christian parties?

[Answer] "No. I am not ruling out anything. You should never rule anything out. But it doesn't seem to me to be a very easy road--a minority cabinet of the CDA and the VVD that relies on the passive support of the small Christian parties."

[Question] Does this mean that in such a case you would prefer a CDA-PVDA cabinet?

[Answer] "My preference is that the present coalition preserve its majority. This is what I am counting on as well."

[Question] But the assumption was that this will not take place: do you then prefer a cabinet with the PVDA over a CDA-VVD minority coalition based on the support of the small Christian parties?

[Answer] "Look," Bukman says, "this is a little too far ahead for me. I like to play chess, but I don't think that I am the right person to go out and write a chess book, with all conceivable variations."

The CDA chairman apparently has nothing to say about whether he would rather rule with the PVDA or continue with a CDA-VVD cabinet, supported by the small Christian parties. This should give the PVDA in particular something to think about.

Because for the time Bukman appears to have a considerably better chance at becoming minister than do Leerling, Schutte and Van der Vlies.

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POLITICAL NETHERLANDS

PERSONAL DIFFERENCES, FUTURE OF PEACE MOVEMENT

Van Putten Leaves IKV

Amsterdam DE VOLKSKRANT in Dutch 20 Mar 86 p 19

[Article by Hans Hansen: "Departure of Van Putten Compels IKV into Clear-Cut Agreements"; first paragraph is introduction]

[Text] In the approaching adjustment of the rules of the game for the leadership of the Interchurch Peace Council (IKV), it will be impossible for Mient-Jan Faber and his staff to escape restrictions on their elbow room. The authorities of the new chairman will at any rate be defined more clearly, according to the first conclusions since the outbreak of management conflict within the IKV.

"The differences of opinion between chairman Jan van Putten and secretary Mient-Jan Faber of the Interchurch Peace Council can be explained primarily by their personalities. You could say that they are too much like one another. It was Faber himself who proposed Van Putten for the chairmanship, but I soon saw the relationship between them sour. And yet I think that Jan van Putten split too quickly." This was the conclusion of Jan ter Laak of Pax Christi, who as a member of the executive committee of the IKV took especially great pains to find a workable formula for cooperation between Faber and Professor Dr Van Putten. But it eventually became evident that the lingering incompatibility between the two was irresolvable.

A statement by the IKV on the conflict confirmed that "Van Putten advocated views on specific points of policy and on the method of operation of the IKV that were certainly present in parts of the IKV campaign council, but that were not shared by the majority of the executive committee." Jan ter Laak explains what the differences were: "On the settlement of the cruise missile issue, it was in part a question of the relationship of the IKV to party politics. Van Putten was galled at Faber's public criticism in an NRC HANDELSBLAD interview of the PVDA and the Committee for No to the Cruise Missiles (KKN). The chairman felt passed over and hurt. What it came down to was that Faber had indeed conveyed the feelings of the executive committee in the interview, but the question was whether it was a good thing to take it outside the committee like that. Faber and Van Putten were both raised Reformed and both are PVDA members."

Eastern Europe

Another point of discord revolved around policy towards the peace movement in the East Bloc. In the opinion of Gaber and others, contacts with official peace councils in Eastern Europe had panned out poorly. In this way, state councils had allowed meetings with independent committees to fall through. The question now was how these contacts with the East Bloc should continue in the most significant way. Faber feels that a reserved attitude should be taken with respect to the peace councils since too little loyal cooperation can be expected from them in working towards European detente. Van Putten does not agree with this. He believes that the official peace organizations in the East Bloc should not become isolated, and should thus remain involved in European deliberations. This was a matter of utmost concern for the chairman.

"A third point of friction for Van Putten was the assertion that the secretariat of the IKV puts too much time and energy into contacts abroad and too little into the domestic campaign, and that it is insufficiently concerned with the branch offices. On the executive committee, there was certainly agreement with a number of the chairman's views. At the meeting on Tuesday evening, Van Putten was rather angry about the arrival of two foreign guests. He said that he knew nothing about it. He explained to what extent this underscored the marginalization of his position. His not knowing about those guests was actually due to a misunderstanding," Ter Laak says.

"The fact that the structure and the method of operation of the executive committee of the IKV are not clearly spelled out in writing has to do with the historic development of the movement. The IKV began as an office. Later it became a complete movement with 500 branch offices, a campaign council, an executive committee and a chairman. With Ben ter Veer as chairman, cooperation worked very well for many years despite the lack of a clear breakdown of authority. With us, agreements in this context can be compared to those between caucus leader Den Uyl and party chairman Van den Bergh of the PVDA. Before a new IKV chairman is named, the authorities of the secretary, the chairman and the secretariat have to at least be formulated concretely. Perhaps the best thing would be to decide on an interim period in order to put things in order before we seek out a new and authoritative outside candidate for the post of chairman," the priest-secretary of Pax Christi says.

Influence

Ter Laak refers to other differences of opinion concerning the way in which IKV should deal with the political parties. "Faber, and I agree with him, assumes that we can expect a greater effect from our work if the PVDA is in the government. This would mean direct political influence. Others see the IKV's duty more in terms of operating at a greater distance from politics in propagating our moral convictions. Faber believes that he can influence PVDA opinion through interviews. Thus, there are differing thoughts on this."

Ds Jan van Veen of the executive committee points out that the secretariat of the IKV cannot function exclusively as an administrative office. "A creative method of operation is necessary. We on the executive committee have for some time been talking about an adjustment in relations between chairman, executive committee and secretariat. From the suggestions and reactions, Van Putten did not get the impression that things would be any better in the future. He did not want to wait around for the results of our deliberation. In our movement, we cannot live in a strict hierarchy with the chairman as the supreme head. Thus, a special feeling is necessary for us in adjusting the rules of the game, and Van Putten didn't have this. He was less familiar with the accumulated culture. Too often, he perceived the course of things as a repudiation of the chairman. We might ask ourselves now whether perhaps the members of the executive committee have become too short-sighted. It is certainly not the case that Mient-Jan Faber is being protected through thick and thin, but he has after all over the course of the years built up a position and a degree of prestige deserving of respect. Now that we are heading for a more solid structure, his post as secretary in relation to the executive committee and the secretariat is naturally up for discussion," Ds Van Veen explains.

Irritations

Ex-chairman Ben ter Veer, who was no longer able to combine IKV work with his job at the University of Groningen and passed the leadership over to Van Putten, is nevertheless still a member of the executive committee: "Mient-Jan Faber's position was not up for discussion at the last meeting. Nor was a word said about a new chairman. After all, Jan van Putten's resignation was unexpected. In recent months we met four times concerning his irritations. There seemed to be a new basis for trust and cooperation in sight. So he must have made his decision to resign at short notice. The arrival of the two foreigners, which he knew nothing about, could have been the straw that broke the camel's back," Ter Veer says.

Saturday, the campaign council of the IKV meets in Utrecht. This body consists of approximately 50 delegates, 25 from church organizations and 30 from regional offices. At this meeting there will also be a report on the circumstances surrounding the resignation of Prof Van Putten.

Role of KKN

Amsterdam DE VOLKSKRANT in Dutch 20 Mar 86 p 21

[Article by peace movement activist Ron Rote: "KKN Can Again Offer Perspective to the Peace Movement"; first paragraph is introduction]

[Text] The chairman of the IKV, Prof Dr Jan van Putten, has stepped down because of disagreements with IKV secretary Mient-Jan Faber. The immediate cause: an interview in which Faber said that the days of the Committee for No to the Cruise Missiles [KKN] were over and that the IKV would do better to pull out of the KKN. However, this incident is only the tip of the iceberg. Drs Ron Rote, who is active in the peace movement, describes what is going on here and what the future holds. He believes that the KKN should remain in existence.

It appears that the KKN is going under because of internal tensions after the parliamentary decision on the stationing of cruise missiles. However, these tensions have been in existence for some time. As long as the KKN was able to organize demonstrations, campaign weeks and a popular petition, it maintained its uniquely broad degree of outside support.

Internally, many KKN members--peace movement groups, parties and labor unions--have had to swallow a good many things. That period is now over for good. I am not revealing any inside secrets when I write about the following tensions and changes.

Realo's and Fundo's

The breadth of the KKN was its strength, and it now appears to be its weakness. A respectable base of support has been achieved. Ten thousand people have for years carried out campaigns and contemplated a different peace policy. This base of support has now grown up. Some KKN members cannot or will not accept this.

The realists ["realo's"] still think that talking with Parliament and with the government will lead to something. On the other hand, the fundamentalists ["fundo's"] point to the importance of the cruise missiles in an American offensive strategy oriented towards the encirclement and eventually even the destruction of the USSR. This line of policy is represented by the smaller parties and peace movement groups within the KKN, but increasingly by activists in the approximately 700 peace platforms as well. These supporters are thinking things over and now want to have joint say in the future course of the entire peace movement as well.

PVDA and CDA

Another point of disagreement lies between (especially) the IKV and Pax Christi on the one hand and the Labor Party on the other. The Christian "realo" peace movement wants to continue talking with the CDA after 21 May; that is part of their raison d'etre. Thus, they want to distance themselves somewhat from the PVDA. Faber is going too far in accusing the PVDA of intractability.

There is also divisiveness on the question of which more far-reaching campaigns should be supported. In IKV circles, talking about civil disobedience with respect to the cruise missiles has become nearly taboo. The overriding fear there is of becoming sandwiched between cautious churches who continue to reject this form of civil disobedience and a radicalized group of IKV supporters who do in fact want to go much further.

The small leftist parties support more far-reaching resistance, such as the Don't Participate campaign at Woensdrecht. They are willing to consider forms of non-violent resistance, together with the peace platforms which will now be operating more independently. In their view, the KKN should offer support to these campaigns and platforms in the form of study meetings on civil disobedience and on new international military and political developments. There is moreover a desire for support in the form of publicity and money.

Looking at this sphere of influence, one must conclude that there are prospects for the KKN, at least in its present framework and composition.

Cooperation

The peace movement is currently facing a new phase: that of complementary strategies. The basic assumptions in this are cooperation where necessary and disagreement where possible. Realo's and fundo's can go off and reflect on their own basic assumptions and sources, their organizational structure, their basis of support and their target group.

People will continually be confronted with peace issues, in their church, their union, their political party or their women's group, in their work and as consumers, everywhere. The seed of a different way of thinking and acting on peace issues will now have to permeate all spheres of life. The KKN would not be able to do this, but all the organizations can indeed do this individually. There is going to be room for new creativity and energy.

Thus, this means complementary, mutually supportive campaigns, in which it must be kept in mind that the leadership and the grass roots, realo's and fundo's, members of parliament and activists need one another. The leadership needs grassroots campaigns in order to make it clear that the decision on stationing has deeply divided the Netherlands. Thousands of people are convinced of the necessity of resistance to what they see as a fundamental threat to the survival of us all. Consequently, resistance campaigns must be interpreted in The Hague in these terms by the realo's.

Social Capital

Moreover, the campaigns legitimize the talks between the cautious peace movement groups and the government and Parliament: politicians will certainly not be able to ignore these talks. Also, the rank and file often provides a sharp analysis of U.S. power politics. Another important function of grassroots campaigns is to fuel debate on civil disobedience and the criteria and values at stake in it.

In general, the more "realistic" movement groups will have to come to the realization that people on the grassroots level and those involved in campaigns have just as much expertise on peace issues as the war and peace specialists in the leadership of the IKV and Pax Christi. Indeed, the people know much more: over the past few years, they have gained experience in conducting campaigns and in cooperating, and they are ready to go further. In the broadest sense, this is social capital for the peace movement that must be utilized.

But conversely the leaders of the grassroots campaigns also need the support of the more moderate peace movement. The latter can prevent groups that continue to oppose stationing from being criminalized. They must provide the link between grassroots groups and churches, the Parliament or labor unions. Continuing resistance must not be marginalized or isolated, because that would be too good an outcome for the militarists.

The grassroots movement also needs thematic reinforcement, a further thinking-out of political and strategic questions. In this way, local campaigns are connected to a broad, international peace movement, a network of resistance in East and West. They become a symbol of resistance to bloc thinking, militarism and defeatism. The quality of their campaigns must demonstrate convincingly what they have in mind: better relations between people and countries, a dignified, free way of life in which animosity no longer has a place. A policy in which shared security is a premise. Persistantly and peacefully, grassroots resistance can expand into an unstoppable movement that inspires all of society towards good.

No Other Way

Is this a dream, a foolish illusion? Perhaps. But there is no other way for the peace movement in the Netherlands than this one. It is true that one precondition is that the KKV remains in existence, as an expression of broad resistance to further arms buildup and blind militarism.

Together with the more radical peace organizations, joined together in the Broad Initiative for More Far-Reaching Campaigns Against Cruise Missiles (BIVAK), the KKV will arrive at a division of responsibilities. It will have to follow the new cabinet like a watchdog. It will have to support debates on civil disobedience as well as its own campaigns by the peace platforms. In this multi-faceted strategy, the KKN thus still has an important role to play. This crisis within the peace movement bears the seed of a new perspective.

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ANALYSIS OF RECENT PRESIDENTIAL ELECTIONS

Lisbon SEMANARIO in Porguguese 22 Feb 86 pp 15, 16

[Article by Mario Bacalhau]

[Text] The recent presidential elections caused an unexpected wave of emotional reactions in the country which brought back memories of the so-called "hot summer" of 1975. The old reactionary slogans such as "If he is not for us he is against us," "We are good, and the others are bad," "Those who are for us are democrats, those who are not are reactionaries," "All Communists to Siberia," and many others of a similar style again invaded streets and homes through all the media. The atmosphere became so aggressive that we are still wondering today how it was possible to control retaliatory acts which seemed to be erupting at every instant. Here and in small groups, in the streets and in factories, action took the form of insults and physical attacks of minor import.

These elections also showed the guilt complex which people who were adults prior to 1974 have as a result of having lived during an historic period in which only several thousand Portuguese, if we do not count the members of the Communist Party, fought against or suffered under the Salazar regime, and then not always for political reasons.

Sociological Framework

Aside from the marks it has left on Portuguese society, and particularly on youth, the consequences of which can be measured in the short or medium term, some of the aspects of this election campaign period, such as the participation of the intellectuals and information agencies and the candidates' television time, should be examined in depth. The general analysis of the election results which I intend to set forth here is probably the least interesting aspect, the consequences of which have already been overtaken by events. The sociological framework, including geographical, demographic, economic and political aspects, could reveal the importance of certain cultural aspects which helped various candidates gain acceptance and influenced voters.

The division of the votes of the PS and the parties politically to its left between candidates Mario Soares, Maria de Lurdes Pintasilgo and Salgado Zenha was the most interesting aspect for political observers. There were charismatic candidates such as Mario de Lurdes Pintasilgo and party candidates such as Mario Soares supported by the PS, and Salgado Zenha by the PCP and the PRD facing the same electorate. Of course Maria de Lourdes Pintasilgo was defeated, and Mario Soares beat out Salgado Zenha by winning over a significant percentage of the socialist electorate which had voted for the PRD in the 6 October 1985 legislative elections. Mario Soares not only had the most stable and well-organized party support, but, because his profile is that of the average Portuguese, he went on to the second round with Freitas do Amaral, the candidate supported by the PSD, CDS and other parties situated politically to the right.

Voting Trends since 1976

A biased interpretation of the polls, which did not take into account the fact that people's attitudes and opinions are based on concrete situations and are as changeable as the times, and an underestimation of Mario Soares' image, more or less that of an average, middle-class Portuguese, led people to regard him as a losing candidate.

The support of the PS, the PRD and the PC, which launched a violent attack on Mario Soares in the first round, saying that Ramalho Eanes' support would be enough to guarantee Zenha's victory, was inevitable in the second round.

With all this support, it was not very likely that Freitas do Amaral would defeat Mario Soares, unless those in charge of his campaign, besides having the decisive support of Prime Minister Cavaco Silva, had more time to correct certain organizational problems which had not been so evident during the first round.

Mario Soares had the support of an electorate which had systematically voted with the PS, the PCP and other parties to their left in the previous presidential elections and in the legislative elections. Voting trends were as follows (bearing in mind that the number of registered voters increased from 6,683,328 in 1976 to an estimated 7,621,504 by 5 October 1985):

YEARS	Votes for PSD, CDS and others to their right	Votes for PS, PCP and others to their left
1976	2,266,690	2,959,234
1979	2,789,701	3,045,619
1980	2,900,424	2,988,309
1983	2,346,141	3,217,237
1985	2,310,323	3,283,339

The increase in votes by about 1,100,000 went to swell the abstentions, which rose from 1,097,735 in 1976 to 1,877,183 on 6 October 1985, and may or may not be of political significance, as was mentioned elsewhere.

Freitas Made Gains in APU Areas

Thus Mario Soares' victory reflected a polarization of the electorate of all the parties supporting him, in spite of the fact that he did not manage to gather all the votes in the recent legislative elections and even the votes of the people voting in the first round. In comparison with the legislative elections of 6 October, he lost an estimated 267,989 votes and was not able to collect the 31,300 votes obtained in the first round. Even without taking into account the growth of the electorate, these were the worst results since 1976, if we exclude 1980.

Freitas do Amaral only received 2,310,323 votes from the parties supporting him, even disregarding the support of part of the PSD, which probably caused his defeat. Positioned politically to the right, Freitas do Amaral had in his favor an image of honesty and competence and, above all, Cavaco Silva's support. In the first round on 27 January, he obtained 2,628,355 votes, 215,075 more than the parties supporting him, and 2,864,728 in the second round, possibly picking up votes as a result of a decline in abstentions by about 3 percent. Freitas do Amaral practically equalled Sa Carneiro's victory in the 1980 legislative elections.

In terms of the voters supporting each of the candidates in each district, Freitas do Amaral exceeded the votes of the corresponding parties. In the Setubal districts, in which the ratio of voters for Freitas do Amaral and voters for the PSD, CDS and PDC is 1.45, and in Beja 1.39 and Evora 1.30, predominant APU zones, this candidate received over a third more votes than the parties supporting him.

Soares Did Better in the Islands

Mario Soares barely exceeded the number of votes of the parties supporting him in the Azores and Madeira, and came closer but did not attain this in the districts of Aveiro (0.96), Braga (0.97), and Porto (0.95).

In the first and second rounds, Freitas do Amaral basically kept the same breakdown of voters by various political zones, classified on the basis of the parties which received 50 percent or more of the votes in the 6 October 1985 elections for the National Assembly.

In Zone A, in which the PSD and CDS have more than 50 percent of the electorate, Freitas do Amaral received a proportionately higher percentage of total votes (30.3 percent in the 2nd round) than the percentage of the national electorate residing in this geographical area (23.9 percent).

In Zone B, considered a transition zone between the PSD and the PS, and contiguous to the previous zone and easily penetrated, Freitas do Amaral received a smaller percentage of votes in the second round (27.5 percent) than the percentage of votes existing in that zone (27.6 percent). We believe that it was in this zone that the candidate lost his opportunity to be elected, as a result of failing to win over the voters who were close by.

In Zone C, a transition area between the PSD and the PRD, formerly the PS, Freitas do Amaral and Mario Soares received more or less the same percentage of the votes.

In Zone D, a transition area between the PSD, PRD and PS, which has 27 percent of the electorate, is the second largest in terms of the number of voters, and includes the Lisbon district, Mario Soares obtained 38.1 percent of his votes and Freitas do Amaral 23.7 percent.

In Zones E and F, in which the APU, PS and/or PRD received 50 percent or more in the recent legislative elections, Mario Soares obtained 15 percent of his votes in the second round, which shows the importance of the communist electorate in his election. In the first round, Mario Soares received only 7.4 percent of his total votes from voters in this area.

Freitas Better in Rural Areas

Freitas do Amaral's electorate is primarily linked to rural activities, and especially small farms, according to the population characteristics of the municipalities and districts in which he received the largest number of votes. The description of the PSD and CDS electorates appearing the electoral geography study entitled "Elections to the National Assembly from 1979-1983" can be applied to Freitas do Amaral's electorate: a heavy concentration in areas of the country where small farmers predominate and religion is practiced regularly.

In contrast, Mario Soares' electorate is not as homogeneous as Freitas do Amaral's, because of the different characteristics of the PS and the APU/PCP electorates. The APU/PCP electorate is generally found in areas where the PSD and CDS receive fewer votes, the practice of religion is infrequent, small farmers are not predominant, and the agricultural proletariat (large land holdings) and the industrial proletariat (suburban areas) have a significant weight in the working population.

The PS/PRD electorate is found in areas where the PSD and the CDS have significant percentages of the electorate, people tend to practice their religion regularly, small farmers form a majority of the working population and there are urban centers of more than 10,000 inhabitants with a new middle class involved in dynamic businesses and industries.

According to polls taken during the electoral campaign, Mario Soares appears to have more voters in the 39-45 age bracket than Freitas do Amaral, who has a greater concentration of voters in the 18-29 and 50-and-over age brackets.

More voters with a primary school education, one of the main characteristics of the rural population, are found in Freitas do Amaral's camp than in Mario Soares'. The new president garners his main support from urban centers, where greater percentages of the population have higher levels of education.

1)*Distribuição, em percentagem, dos eleitores inscritos, dos votantes, da abstenção e dos votantes em F. Amaral e M. Soares, por zonas agrupadas segundo a principal tendência política (50% ou mais de votos).*

(2) Zonas políticas	(3) Distritos	(4) Inscritos 2.ª volta	(5) Votantes 2.ª volta	(6) Abstenção 1.ª volta	Abstenção 2.ª volta	(7) F. Amaral 1.ª volta	F. Amaral 2.ª volta	(8) M. Soares 1.ª volta	M. Soares 2.ª volta
A—PSD e CDS	Aveiro, Bragança, Guarda, Leiria, V. do Castelo, V. Real, Viseu	23.9	23.3	27.1	25.8	30.1	30.3	23.1	16.8
B—PSD e PS	Braga, Coimbra Porto	26.6	27.6	24.0	22.8	27.9	27.5	32.9	27.8
C—PSD e PRD	Castelo Branco, Santarém	7.3	7.3	7.4	7.6	7.2	7.2	6.5	7.3
D—PSD, PS, PRD	Faro, Lisboa Portalegre	26.8	27.0	25.0	26.2	23.5	23.7	25.6	38.1
E—APU, PS	Beja e Évora	3.9	3.8	4.1	4.3	2.1	2.1	2.4	5.4
F—APU, PRD	Setúbal	6.9	7.0	6.1	6.9	4.0	4.2	5.0	9.6
G—PSD, CDS	Açores, Madeira	4.6	4.0	6.4	6.5	5.2	5.1	4.4	3.1
TOTAL	—	100	100	100	100	100	100	100	100

Key:

1. Percentage breakdown of registered voters, votes, abstentions for F. Amaral and M. Soares, by zones formed on the basis of their main political leaning (50 percent or more of the votes).
2. Political Zones
3. Districts
4. Registered Voters: 2nd round
5. Voters: 2nd round
6. Abstentions: 1st round; 2nd round
7. F. Amaral: 1st round; 2nd round
8. M. Soares: 1st round; 2nd round

(9)*Coeficiente da relação entre o número de votantes nos candidatos e o número de votantes nos partidos que os apoiaram nas eleições de Outubro.*

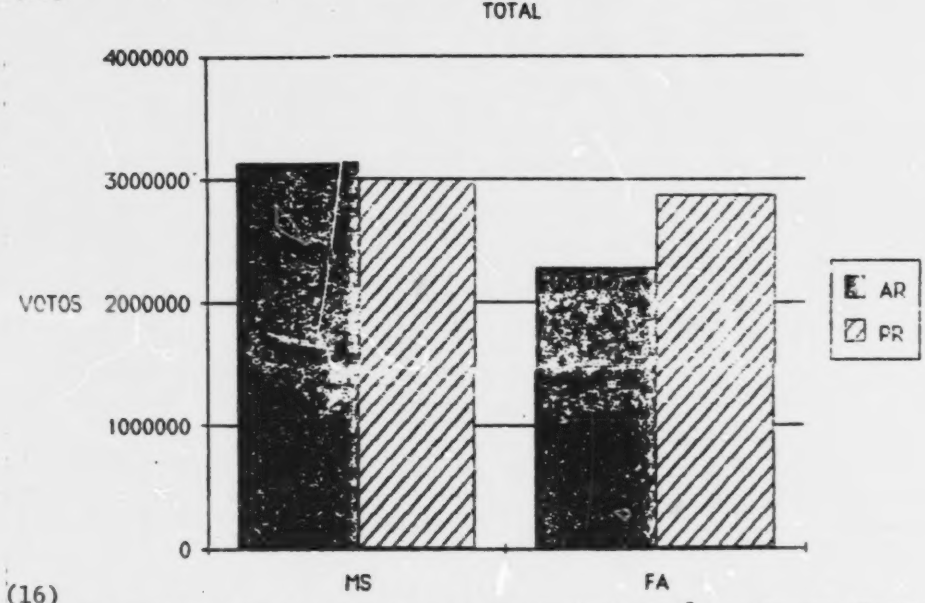
(10)DISTRITOS	(11) Eleitores F. Amaral	(12) Eleitores M. Soares
	(13) Eleitores PSD. CDS. PDC	(14) Eleitores. PS. PRD. PCP e outros
Aveiro	1.81	0.96
Beja	1.39	0.90
Braga	1.16	0.97
Bragança	1.26	0.91
C. Branco	1.33	0.85
Coimbra	1.29	0.95
Evora	1.30	0.90
Faro	1.24	0.93
Guarda	1.21	0.89
Leiria	1.26	0.86
Lisboa	1.28	0.90
Portalegre	1.29	0.90
Porto	1.22	0.95
Santarém	1.29	0.89
Setúbal	1.45	0.87
V. Castelo	1.25	0.92
V. Real	1.26	0.93
Viseu	1.23	0.90
Açores	1.13	1.01
Madeira	1.01	1.21
Total do País	1.24	0.92

Key:

9. Ratio between the number of votes for the parties supporting them in the October elections.
10. Districts
11. Votes for F. Amaral
12. Votes for M. Soares
13. PSD, CDS, PDC votes
14. PS, PRD, PCP and other votes

Comparação entre Outubro/85 e Fevereiro/86

(15)



(16)
O quadro mostra como Freitas do Amaral superou o resultado de PSD e CDS, em Outubro, e Soares ficou aquém do score dos partidos da esquerda

Key:

15. Comparison between October 1985 and February 1986
16. The graph shows how Freitas do Amaral exceeded the results for the PSD and CDS in October, and Soares came out below the score of the leftist parties.

9805/12859
CSO: 3542/67

POLITICAL PORTUGAL

COMMENTARY ASSESSES PRD'S ORIENTATION, FUTURE

Lisbon O DIABO in Portuguese 4 Mar 86 p 2

[Commentary by Jose Miguel Judice]

[Excerpt] I believe the PRD will survive. It will do so because it will search out the deadlocks and because a lack of political direction will continue to exist. However, I am also convinced that it cannot ever aspire to rival the PSD's or even the PS's political muscle. It will be a small to medium-size party anxious that a clear majority not emerge in Portugal because that is the key to the PRD getting a slice of power.

In the first place, the PRD supports the Cavaco Silva government just enough to keep the prime minister from becoming exasperated and leaving and it does so for purely practical reasons. The PRD is torn by internal contradictions (ideological, strategic and tactical) and it cannot clear these up under the penalty of falling apart. Its only salvation lies in Gen Ramalho Eanes military-like unification. Its only basis for unity, as it awaits the arrival of its beloved one, is to gain time, delay and avoid elections.

In the second place, the PRD does not want any kind of stability. It is precisely political instability that forms its power base, in the same way that presidential power lies in the government's instability. In the Portuguese political system, any president who has a parliamentary majority opposing him will be reduced to the role of cutting ribbons. This is true even in France. This is the reason that Mitterrand changed the electoral law to prevent the creation of a clear majority in the assembly. The PRD is the political/partisan expression of Eanes' method of conducting politics. It exists because of and for instability. It knows that it cannot have a clear direction and as a result it can never aspire to form a majority. As a result, it tries to prevent the formation of any other majority.

In the third place, and as a consequence of what was said earlier, the PRD will try to support and oppose the Cavaco Silva government as time goes on. It will thus oppose the government more as the latter's public image weakens. In this sense, the PRD is an epiphenomenon of the changes in public opinion. It has no political direction. All it has is the ability to understand what direction the winds of the times are blowing from. It is technocracy and opportunism at its best.

In the fourth place, the PRD will be subject to three different influences (all contradictory). These will increase its paralysis and intensify its political opportunism and sophistry. One of the PRD's tendencies is to form a Leftist, populist opposition inclined to accompany the PCP in social and local government struggles. A second tendency is said to want more or less stable alliances with the PS. Its goal is to form a moderate socialist or archaic social democratic bloc of the Left. A third tendency is more inclined toward a populism of the Right with its nostalgia for authority (sociological Eanism). It wants an alliance with the PSD, especially with Cavaco Silva, almost as if it sought a successor to Ramalho Eanes. These three tendencies are irreconcilable except on a case-by-case basis, depending on the circumstances and to defend eclectic solutions which cause paralysis in and of themselves.

In the fifth place, Ramalho Eanes' membership will resolve nothing. It will, if anything, heighten the contradictions because the former president is himself a living contradiction. In fact, his interpersonal relationships with people from his second term in office draw him to populism of the Left. His ideological-strategic position draws him to an alliance with the PS while his temperament and roots draws him to an alliance with the PSD. He will continue as he has until now. He will hint to some, acknowledge others, make promises to yet others and stall everyone.

The significance of all this is that "Eanism" is dead and no great evil will come to the world as a result. What has not died is the tragic character of the political instability, the lack of a clear majority, the ambiguity of ideological-political stands, the postponement of reforms and the constant negotiation under the pressure of various lobbies which sprout during times of excessive parliamentary power.

The PRD danger does not lie in its existence because even the PCP does not give it what it desires. There is no PRD danger if and when it becomes part of a bloc, choses a strategy and clarifies what it is that it wants for Portuguese society. The PRD danger lies in the fact that the lack of a majority gives it power to blackmail and paralyze. The power structure must understand that this is the way it is and turn the spell on the sorcerer.

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CSO: 3542/71

COMMENTS ON POPULAR APPROVAL OF CAVACO SILVA

Approval Questioned

Lisbon O JORNAL in Portuguese 7 Mar 86 p 6

[Article by Augusto Abelaira]

[Text] Is Cavaco Silva governing well or poorly? The parties do not give us an objective answer, they say what is to be expected: the PSD is governing well; the PS or PC governs poorly. As for the PRD, it is hard to tell how much credence to give to its views because we do not know exactly what we should expect of it. But Herminio Martinho says it is doing a good job overall and adds, giving with one hand what he takes away with the other, that the government cannot help but do a good job because of the favorable international economic outlook. Objectivity or secret maneuvering? Because, all things being equal, one can govern poorly under favorable conditions.

If we cannot trust what the parties say, what is "public opinion"? If the polls are to be believed, the majority answer that Cavaco Silva is doing a good job.

Not knowing what has led the majority to express that opinion, one might wonder why he is doing a good job. Why has unemployment declined and how has the problem of back wages, which was so troublesome for Freitas do Amaral, been resolved? Why is there now no problem of hunger, which was so talked about last year? Why has our daily life apparently become so much easier? Or why is the government publishing laws and assuring us that it is governing well? Or even why are the mass media telling us this is so, forgetting these problems?

I am not an economist, sociologist, historian or politician, but it seems to me that there is no way of telling (and it would be impossible to tell, at the end of 4 months) whether Cavaco Silva is governing well or poorly--we will have to wait (or at least we as average citizens will have to). We will have to wait until the results begin to be felt in our everyday lives, and in those areas not substantially influenced by the decline of the dollar and raw materials, and even by the financial recovery for which the previous government was responsible.

Thus when the majority says that Cavaco Silva is doing a good job, it just believes that to be true, regardless of the actual situation which is still as difficult today as it was before. Public opinion, therefore, contrary to appearances, is not reflecting current reality, but just (perhaps without realizing it) the hope that current reality will show that the government is performing well. This is a conclusion based on the unknown future, a hope--which may be borne out by facts--or may not be, as has happened in the past.

Whatever may be, by temporarily confusing hopes with reality, public opinion is favoring Cavaco Silva, something which nobody can deny him. This leads us to the question: how can this undeniable, notable phenomenon be explained? By the confident way he speaks, his fanatical self-assurance, which makes the most distrustful believe in him?

Consider this curious, significant excerpt taken from an interview with the prime minister: "It is evident that the PC and the PS are somewhat disturbed by the fact that the government is solving the problems of the people and the country." What proof is there that they are disturbed? He said so, with all confidence. But he went further: He said "it is solving" and not that "it will solve." In summary, why did the fact that it has solved problems (something which has not been proven) disturb the PC and the PS (something else that has not been proven)? Whatever he says goes. Or it has been accepted, or is being accepted. An impressive victory, if not over the irrefutable, stubborn facts, at least over people's consciences.

There remains one problem: unless I am mistaken, the majority who believe in Cavaco Silva preferred to elect Mario Soares. Why did a substantial percentage of the people who trust the prime minister, and who are seeing today what they could only see (or not see) in the future, paradoxically turn their backs on him during the presidential elections? Do they believe in him and at the same time fear him? Do they believe in him, but only on condition that they have Mario Soares as a safety valve?

P.S. A year ago there was a great deal of talk about hunger--by myself, inclusive. Today we hear nothing. Did it disappear, or is it just no longer a subject of conversation--and does what is no longer discussed then automatically cease to exist? Has it ceased to exist for everyone except the Bishop of Setubal? And those who are starving, naturally.

Approval Poll Results

Lisbon SEMANARIO in Portuguese 22 Feb 86 p 15

[Text] A recent survey conducted by Norma for SEMANARIO clearly confirms the prestige of the current PSD administration headed by Cavaco Silva. Thus the results of the 16th and the election of Socialist Mario Soares to Belem apparently do not reflect a desire on the part of the electorate to penalize the government for its actions. On the contrary, as the table we have published shows, it enjoys significant support. Over 42 percent of those surveyed approve or fully approve of the government's performance, while only about 15 percent expressed disapproval of the activities of the current executive.

To get a better idea of what these figures reveal, let's compare them with those furnished by a survey conducted by the magazine CIENCIA POLITICA/Norma measuring the support for the PS/PSD administration of that time headed by Mr Soares. In February 1984, after it was 7 months into its term, only 9 percent of those surveyed rates its performance as good or very good, while 34 percent considered it to be negative (or very negative).

		(1) REGIÃO				HABITAT
	TOTAL	GR. LISBOA	GR. PORTO	(2) LITO3) RAL4)	I. NORTE I. SUL	5)2 MIL
TOTAL	7272	1676	756	2662	2178	4065
6) Apreciação da actuação actual do Governo PSD						
7) Totalmente acordo	10.6	13.3	17.2	5.2	12.7	10.6
8) De acordo	31.9	25.8	39.0	34.8	30.6	30.9
9) N/ acord / N desaco.	24.2	23.5	13.9	21.6	31.4	26.8
10) Em desacordo	11.1	18.1	20.2	8.3	6.1	7.4
11) Totalm. desacordo	3.7	1.6	1.8	6.2	3.0	4.4
12) Sem opinião	15.2	13.8	5.1	19.9	13.9	18.3
13) N/ respondem	3.3	3.8	2.8	4.0	2.3	1.6

Key to table:

1. Region
2. Coast
3. North
4. South
5. Thousand
6. Opinion of performance of current PSD government
7. Fully approve
8. Approve
9. Neither approve nor disapprove
10. Disapprove
11. Fully disapprove
12. No opinion
13. No response

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CSO: 3542/67

U.S.-EUROPEAN TENSIONS AT WEHRKUNDE CONFERENCE ANALYZED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 Mar 86 p 12

[Article by Ernst-Otto Maetzke: "American Knowledge and European Will: How NATO Could Strengthen Its Conventional Defensive Force"]

[Text] Munich, 3 Mar--There was no need for concern that this year's Wehrkunde [military science] conference in Munich with the general theme of "The Influence of New Technology on the Alliance" would revolve around the Strategic Defense Initiative [SDI] of the American president and its technical feasibility. The 150 politicians, military people, arms and disarmament specialists and publicists--most of them have known each other for years--hardly talked about it. About the only thing worthy of note was a difference of opinion between two American senators. One of them, Cohen, believed that "some restraints" were possible in the SEI research in exchange for verifiable reductions of Soviet weapon systems, whereas his colleague Wilson bluntly declared that SDI will not be "negotiated away." The majority of the conference participants seemed to believe Wilson.

Anyhow, most were primarily interested in the consequences of the complete withdrawal of the American and Soviet intermediate-range missiles from Europe as envisioned by Reagan. The fact that the presence of conventional Soviet power in Europe would attain a substantially greater importance under such a "zero option" was cause for much concern. In this consideration, it was useful that the all-too overworked catchword "uncoupling" of European security interests from American interests was swept from the table. Accordingly, neither technical progress nor the availability of highly developed weapon systems influences the ties and the affinity between the leading power in the Western alliance and its European partners. It is exclusively a political and psychological question rather than a technological one.

The European member countries of NATO, especially the FRG, have been put in a state of confusion by Reagan's proposed "zero option" because of their own previous public arguments. It was precisely this solution that they had presented as a great hope in the domestic-policy argument about counterarming, regrettably declaring it to be illusionary, however. But now the zero-option must be swallowed--even though its dangers are obvious--not only because Reagan wants it but because it was just a few years ago that they themselves had enthusiastically pleaded for it. At the Wehrkunde conference, this unpleasant situation was the cause of unprecedented self-accusations of hypocrisy, untruthfulness and manipulation of the so-called "media" in connection with arms-control policy. Every government and every opposition party wants to put itself on top with the spread of disarmament illusions that are effective in the public. When it involves the depiction of disarmament chimeras, all ot those involved make a steady stream of perjurious false statements about the realistic threat analyses. We are now suffering the consequences.

There seems to be reason for optimism in regard to the rapid introduction of technically advanced conventional weapons into the European NATO armed forces. There are obviously a lot of very promising weapons developments available but there is a catch, as pointed out by an American military publicist: they will be kept "locked up in American garages." In this way, they have neither a deterrent effect nor can they contribute to increasing the staying power of the conventional armed forces of the alliance. General Altenburg, chief of staff of the Bundeswehr, immediately took up the theme: "The opening of the garages would be very welcome." But it seems that American hesitation about passing on technology is still preventing it. When U.S. Secretary of the Navy Lehman issued a similar special instruction for the naval forces, under which they could be upgraded with new technical developments already available, Federal Minister of Defense Woerner had sharp words: "We would gladly integrate the naval defensive systems but the prerequisite is the full transfer of technology. As defense minister, I must insist on it." The mood in the alliance seems to be worsening in this area.

The Americans would much rather recommend to their European allies that they strengthen their defensive will than pass on technical knowledge. If there were even more doubts on the other side of the Atlantic about this resolve than heretofore, then there would indeed be a danger of an uncoupling. The American mistrust was seen most clearly in the specific discussion of the defensive concept of doing something drastic against the follow-up strike forces of the Warsaw Pact immediately after an attack--even before they cross the border into NATO territory. Whether then, if at all, only conventional point-target weapons awere used against such massings or whether Western troops might also be allowed to cross the previous dividing line with the East for the purpose of threatening the flank and whether the supposed tendency of the population of the socialist states to resist Soviet hostilities should be strengthened through practicable means was all controversial.

Even more disputable is whether one should take to heart American criticism of the willingness of European NATO governments to provide continual economic and technical help to the socialist states and especially the Soviet Union so as to use good will to bring about European stability. With noticeable disgust, U.S. Undersecretary Ikle read aloud such a statement and enclosed it in quotation marks: "We should help the East to modernize its economy; our help in the economic development of the Soviet Bloc will contribute to European stability." Ikle did not say where the quote came from. It is actually found in an interview given by Federal Minister of Foreign Affairs Genscher and it was circulated by the Foreign Ministry in a press statement in mid-December. But the American criticism of this interpretation met not only with German opposition. Trade and cultural exchanges with the socialist countries, tourism and travel as well as radio broadcasting across the border were not only endorsed with a view to stability but also considered to be a proven means of ideological softening-up, if not of subversion.

The most opposition by the majority of the participants in the Wehrkunde congress was found by the contribution of Ehmke, deputy chairman of the social democratic parliamentary group of the FRG parliament in Bonn. Above all Senator Wilson reacted sharply to the lack of cooperation by Ehmke, who is known to have recommended that all proposals be examined for their technical, financial and operational possibilities but who has not supported any of them. His defensive attitude toward practically all technical progress with respect to military armament, which he wants to see on the shortest possible line of social control, met with a derisive American objection: in this way, Einstein would also have been hindered in the development of the theory of relativity.

Strangely enough, uncriticized was Ehmke's suggestion of an increase in the subjects covered in the arms-control negotiations with the Soviet Union, under which not only weapons would be discussed with it but also strategies. A glance in the military lexicon of the Warsaw Pact will show something about the substance of this proposal. In that of the military publishing house of the GDR, under the key word "surprise," one finds a statement of how with its help a relatively unprepared military adversary can be destroyed, forced into the defensive, or hindered in resisting: "Depending upon the objective and the forces employed, the element of surprise has a strategic, operational or tactical nature. In a war with missiles and nuclear weapons, the effectiveness of surprise will be greatest when the use of weapons of mass destruction is unexpected." But who reads that sort of thing anyway?

9746
CSO: 3620/611

ARMS, MUNITIONS INVENTORIES RISE AS FOREIGN MARKETS SHRINK

West Berlin TAGESSPIEGEL in German 14 Feb 86 p 3

[Article by Herbert Lucht: "150 Tanks Stockpiled in Austria: Controversy Over Arms Exports into Numerous Crisis Regions"]

[Text] Vienna, Feb 1986--The waves are rising and in Austria this, like everything else, has become a rather vehement and slightly ludicrous controversy: May the neutral Alpine republic export arms or not? It may. Switzerland and Sweden do it too. May it export to countries that--for whatever reason--are at loggerheads, at war or in a crisis situation? It may not, quite simply because a homemade law passed several years ago forbids it.

For years, however, this law has either been winked at or ignored or interpreted broadly and at best formally but generally capriciously. Deliveries can be made to Libya, even when Qadhdhafi is preparing to invade Chad, but not to Morocco. That is how it has been since 1977 and since then it has been loudly disputed. Loudest right now, when independent--meaning not favorable to the government--media have made a fuss about the biggest weapons deal of recent years, namely triangular transactions (again by way of Libya).

VOEST weapons, 600 heavy field howitzers with the appropriate ammunition, were, as they say, supposed to go to Iran. The first 40 had already landed in Tripoli in the fall of last year, marked for Iran but accepted by Austria for "ultimate use" in Libya. To be sure, however, there is substantial evidence--including VOEST negotiations in Teheran--that does not point to Libya at all. Only: Libya was already Austria's largest weapons customer in 1984. In any case, Qadhdhafi's purchase, valued at about 10 billion schillings, fills a highly explosive order book: 200 GHN howitzers, 200,000 ERFB HE demolition grenades, 100,000 PD-M fuzes, 100,000 M fuzes, 10,000 ERFB Smoke (WP) grenades, 20,000 MTSQ fuzes, 10,000 ERFB Illumination grenades, 200,000 pieces of HE 80 grenade launcher ammunition with fuzes, 500,000 pieces of HE 70 grenade launcher ammunition with fuzes, 100,000 pieces of HE 78 grenade launcher ammunition with fuzes, and 220,000 propellant charges. All of the abbreviations indicate standard NATO ammunition for grenade launchers or howitzers.

However that may be: after all that became known, Federal Chancellor Sinowatz immediately stopped weapons shipments to Qadhdhafi (and wherever they went from there) but, just as in all the other scandals that have come to light recently, he also immediately assigned the blame to the media. And they, as in the case of the KURIER, defend themselves energetically: "Sinowatz thinks that we are losing the weapons deals because there is so much in the newspaper about them. That is laughable. The suspicion that VOEST guns had gone to Iran and Iraq had long since appeared in the international trade journals. When Sinowatz is given a hard time by the gentlemen of the nationalized weapons industry, he should not make a scapegoat out of the media."

But--as so often--Sinowatz is only annoyed and embarrassed, perhaps more than usual this time. For it is not just the press that is guilty, he sulks unmoved. Certainly the foreign competition played a role as well, something that would have to be proven. But in regard to the key word "competition": it is the reason why most leading politicians across the spectrum of Austrian parties are pleading for the acknowledgment of arms production as well, not strongly but somewhat clearly. The Weapons Shipments Law needs to be reformulated and exports organized "more liberally" than heretofore.

That, however, has already been rejected by Sinowatz. The sections, he says, are sufficient. But that is what it is all about, even if that is only the one side, the legal side. The Weapons Shipments Law, a work of Kreisky's personally motivated anger in his day, would truly be enough if one were to give it more content and clarity (even a loosening would promise precision). Journalists and lawyers criticize it for being deliberately watered-down. And if it remains in effect--and Sinowatz wants it to remain in effect for the sake of jobs--then there will not even be a discussion about the moral aspects.

Meanwhile, the warehouses are filling up with ammunition, grenades and howitzers and 150 tanks are stockpiled, unsold.

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MILITARY FEDERAL REPUBLIC OF GERMANY

RESERVE MOBILIZATION APPARATUS TACKLING ASSIGNMENT PROBLEMS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 1 Feb 86 p 2

[Article by Klaus Walther: "Soon, No More Rest in the Reserve"]

[Excerpt] What can reservists actually do that is meaningful? This is unfortunately no theoretical question. At work, reservists are often ridiculed when they go to report for duty. "Drinkercise," "poker training," or "Federal vacation" — such taunts evidence the public's bad image of exercises. There are too many bad examples.

The proprietor of a small mechanical shop was called up for a two-week training exercise, after having heard nothing from "the government" for 11 years. He had to go to Army aviation: he shut down his business(!) and was assigned a "specially responsible activity." He was ordered to flight-line equipment maintenance, and there specifically to hydraulic test apparatus. "The stuff was actually fine," he was able to report afterward. The master craftsman was all the same allowed to put new contacts on two distributors during the exercise. True, the responsible sergeant did come along first to ask, "You really know what you're doing there?"

One commander taking his evening walk got a real surprise. On the barracks square he confided to a fellow officer that he was looking for an English-speaking reservist for the operations office for an exercise then underway. All at once a private pulling sentry duty reported, perfect for the job. He turned out to be a college professor called up for training.

"The main problem is the deficient personnel and technical resources of the local Recruiting and Replacement Centers, which have to decide on how to utilize reservists," as the Reservist Association well understands. Too often "decisions go according to what's in the file." The files usually do not reflect the reservists' most recent state of professional development. And they would contain only a deficient summary of the military qualifications of former active-duty soldiers.

An Air Force exercise at Ulm-Leipheim proved there is a better way. Fighter-Bomber Wing 44 was transferred from Portugal to Swabia and was there staffed up more than 50 percent with reservists. They had been located and then requisitioned by means of painstaking detail-work at the local Recruiting and Replacement Centers. Thus it came to pass that an aircraft mechanic from the Dornier firm was utilized for maintenance of the very modern "Alpha-Jet" planes, and a meteorologist was available for the aviation meteorological service.

Problem number two is the social issue. While the reserve Lieutenant Colonel Uwe Stellmann, mentioned at the outset [not in this excerpt], who is a government employee in civilian life, did not have to put up with any disadvantages whatever, the situation shaped up quite differently for reserve private Joachim Diehl, an employee of a private firm. For having done his duty, he will later receive less pension, and he must reduce his personal budget by 10 percent for the period of the service, until he gets the money back in his next annual income-tax refund.

The man charged with reserve affairs for the Bundeswehr, General Heinz Kasch, is, as he says, "aware of the problems." On the Hardthoehe [Bundeswehr headquarters] and in the Finance Ministry, solutions are being sought. The Reserve Association has meanwhile had a study done. The result: a person with military service obligation who participates in training for 4 months in the course of 13 years, as prescribed in the basic military service law, and who earns an upper-middle-class income, will sacrifice 90 marks a month in social security when he retires. The cause is an obsolete pension-calculation model, which underinsures reservists as if they were draftees.

Problem number three consists of disadvantages for reservists in the workplace. "In my company no one grumbled when I was gone for 14 days," Johannes Diehl could still report in the fall, as he was going off to do his training. The usual attitude in business up to now, but it could change. Namely, if reservists were called up more often and at shorter intervals. Reserve-affairs director General Heinz Kasch says, "We will meet business half-way and exercise understanding in our planning where possible. But we cannot escape the need to take account of the changed requirements of the Bundeswehr."

Fritz-Heinz Himmelreich, deputy chief managing director of the Federal Union of German Employers Associations, does not hold with this. He recently demanded a stronger right of consultation for firms, when it comes to deciding whether or not an employee is indispensable for a military exercise. There seems to be material in abundance for intensive discussion between business and employers [sic] if the risk is to be avoided that the simple fact of being a reservist could lead to a hiring preference for non-serving candidates.

It seems certain, nevertheless, that the primary burden will fall on the reservists themselves. For, in addition to the training exercises for which they must leave their workplace, there will in the future also be week-end training periods, from Friday evening to Sunday evening.

13070
CSO: 3620/573

CIVIL DEFENSE COMPONENT SET WITHIN 'TOTAL DEFENSE' DOCTRINE

Bonn INFORMATION FUER DIE TRUPPE in German Aug 85 pp 16-38

[Article by Dr Werner Schmitt, director of Civil Defense Academy: "Civil Defense: Basic Principles and Importance for Security Policy"; first paragraph is INFORMATION FUER DIE TRUPPE introduction]

[Text] Civil defense is an integral component of overall defense but it is generally not nearly as well known as its military counterpart. The article on civil defense as published below is based upon a report given by Dr Schmitt, president of Civil Defense Academy, to the Bonn section of the Society for Military Science on 21 January 1985. The report was slightly reworked and abridged for editing reasons and provided with intermediate headings. The arguments are both a statement and a familiarization with this little-known material and its attendant circumstances as well as an enthusiastic pleading for civil defense.

Tasks of National Civil Defense

In the civilian area as well, we distinguish between national and NATO defense, whereby the main emphasis is on the national area.

Since as early as the beginning of the 1960's, national civil defense has been subdivided into four main groups:

--the maintenance of state and government functions,

--civilian defense,

--the supplying of the population and the armed forces, and

--the immediate support of the armed forces.

The Maintenance of State and Government Authority

This includes the maintenance of all three state functions, that is, legislation, government and administration, and the administration of justice.

It is of fundamental importance for overall defense, for neither civil nor military defense can function if one is not successful in keeping the necessary state authorities and especially the control installations intact during war as well. Here both administrative and legislative measures are required. Examples of the administrative area include the tightening of the civilian administrative organization, preparations for the formation of agency executive staffs, the setting up of protected headquarters, and the improvement and securing of command communications networks.

A subcase to be emphasized in the maintenace of government authority is the maintenance of public security and order; the problems occurring here--the control of refugees or the protection of facilities and installations, for example--have an immediate effect on the armed forces as well. Another special problem is the maintenance of the possibilities for information; contact with the population should not be interrupted in any phase of a crisis or war. Radio plays an outstanding role here.

Civilian Defense

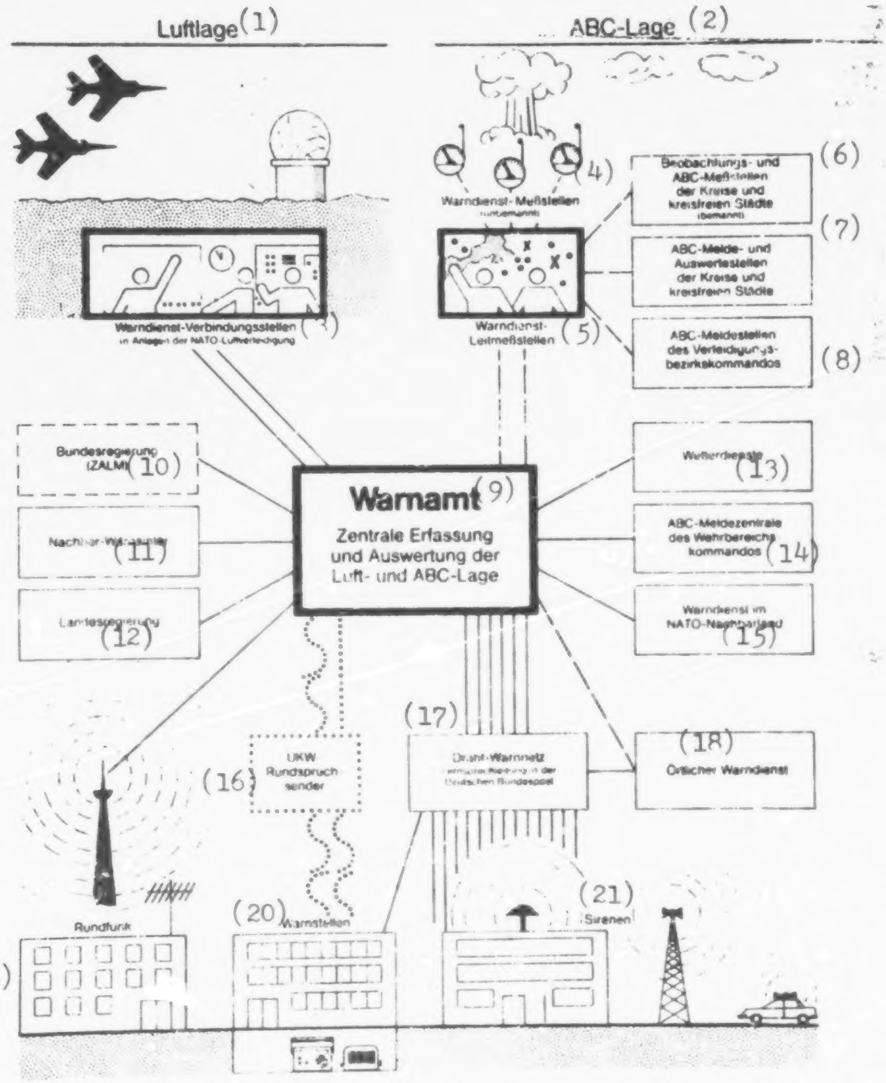
The second main functional area of national civil defense is civilian defense. The measures included here can be subdivided into two groups in accordance with their purpose:

The first group includes the measures that are to provide the people some preventive defense against the efects of war. This includes the warning service to warn the population--primarily through sirens--and the self-protection of the population and enterprises. It also includes the building of shelters and the regulation of the place of residence, both of which are of immediate importance for the armed forces as well.

In the scope of the regulation of the place of residence, the principle applied is that of "stay put." Even in war, most people are better off in their accustomed domestic environment, with the resources of their own household and in the vicinity of helpful neighbors. Exceptions to this rule may occur when, because of the specific situation or specific assumptions, the threat to the population in certain districts must be evaluated as so high that it outweighs the natural home advantage; in this case, evacuations could be ordered. In addition, undesired attempts to flee cannot be ruled out, despite the "stay put" principle. The corresponding precautions are necessary, not least in the interest of the operational freedom of the armed forces.

Shelters are the best protection against attempts to flee. Thus the building of shelters should be the core of civilian defense. In large areas outside of the core damage zones, countless people could be saved in a war if they had shelters. Unfortunately, however, shelters are not only the best but also the most expensive protection and thus to date no government and no parliament of the FRG has been able to find its way to a long-term obligation to construct protective shelters. But the experience of the last 15 years has been that voluntary action cannot lead to satisfactory results.

Functional Diagram for the Warning Service--Basic Sketch for a Warning Area


Luftlage (1)
ABC-Lage (2)
Warndienst-Verbindungsstellen in Anlagen der NATO-Luftverteidigung (3)
Warndienst-Meßstellen (unbemannt) (4)
Warndienst-Leitmeßstellen (5)
Beobachtungs- und ABC-Meßstellen der Kreise und kreisfreien Städte (bemannt) (6)
ABC-Melde- und Auswertestellen der Kreise und kreisfreien Städte (7)
ABC-Meldestellen des Verteidigungsbezirkskommandos (8)
Warnamt (9)
Zentrale Erfassung und Auswertung der Luft- und ABC-Lage
Bundesregierung (ZALM) (10)
Nachbar-Warnämter (11)
Landesregierung (12)
Wetterdienste (13)
ABC-Meldezentrale des Wehrbereichskommandos (14)
Warndienst im NATO-Nachbarland (15)
(16) UKW-Rundspruchsender
(17) Draht-Warnnetz
(18) Örtlicher Warndienst
Rundfunk
(19)
(20) Warnstellen
(21) Sirenen

Key:

1. Air situation
2. NBC situation
3. Warning service liaison office
4. Warning service measuring points (unmanned)
5. Warning service control measuring points
6. Observation and NBC measuring points of the kreises and kreisless cities
7. NBC reporting and plotting centers of the kreises and kreisless cities
8. NBC reporting stations of the Military Region Command
9. Warning Office--Central Coverage and Evaluation of the Air and NBC Situation

10. Federal Government (ZAL'1)
11. Neighbor warning offices
12. Land government
13. Weather services
14. NBC reporting center of the miliary district command
15. Warning service in neighboring NATO country
16. VHF broadcasting transmitter
17. Wire warning network--telephone lines of the German Federal Post Office
18. Local Warning Service
19. Radio
20. Warning centers
21. Sirens

The second group of civilian-defense measures includes those that are to mitigate or eliminate damage when such damage does occur in spite of the protective measures. These rescue measures include the development of disaster protection with auxiliary organizations such as the fire department, Red Cross, Technical Emergency Service, etc. on the one hand and public health on the other. In both areas, disaster protection and public health, the corresponding potentials are already being made available by the federal Laender for peacetime necessities and disasters. These potentials are also available in a national defense emergency but for the special requirements of this case they are expanded, supplemented and specialized by the Federal Government. Thus the Federal Government delivers special equipment to the auxiliary organizations of disaster protection, provides additional training for their units, and even sets up its own special units. In the area of health precautions, the Federal Government has, for example, prepared hospitals with more than 85,000 beds and stockpiled medical supplies for 250,000 injured.

Supply

The third main complex of functional tasks of national civil defense concerns supply: supplying the population, civilian operational units, armed forces and other public and private users and the material supplying with goods and services as well as the covering of the necessary personnel requirement. Examples of individual measures include measures to stockpile and ration food, water, mineral oil and energy; the development of an efficient repair service; the meshing of the communications network; the preparation of the establishment of motor convoys; administrative measures for the management of the means of transport and traffic routes; etc.

The Support of the Armed Forces

The fourth main functional area of national civil defense relates to the support of the armed forces. This means the following:

--that the civilian area must provide personnel and material to the armed forces as a mobilization augmentation,

--that it has important tasks in supplying the troop with foodstuffs and military hardware,

--that it must do extensive work in the area of transport and communications,

--that roads must be kept open for assembly and

--that movements of refugees must be prevented or controlled.

NATO Civil Defense

Initially it is necessary to point out an essential difference relative to military NATO defense. For whereas the latter is characterized by the principle of integration, in the civilian area the member countries remain completely independent and thus have unrestricted responsibility for their own actions. To be sure, NATO civil defense also has its organization: peacetime committees that deal with overlapping questions of traffic, supply and civilian defense and so-called NATO war offices in the state of alert and war that must also solve questions of traffic and supply as well as those of the border-crossing control of refugees. But both in the committees and in principle in the war offices, the delegates of the sovereign member nations are national representatives responsible only to their respective governments. Accordingly, there are, as a rule, no majority decisions made either here or there but only unanimous resolutions of all those involved. And even these unanimous resolutions represent only recommendations for the member nations; whether and how they are implemented remains at the discretion of the national governments.

The authority of the civilian entities of the alliance is therefore very limited. The commissions already in existence in peacetime have responsibility for:

1. The exchange of information,

2. The attempt to coordinate the various civil-defense preparations in the member countries,

3. The planning of measures that by their nature can be resolved only in the cooperation of all or several member nations (for example: planning for alliance crisis management or for the establishment and activation of civilian NATO war offices).

The NATO war offices, which are activated only in a state of emergency, have in principle functions similar to those of the committees but they also mainly perform tasks comparable to those of clearing offices. Thus they link countries having certain requirements with other countries that can meet these needs and, in a suitable manner, they also organize transport that may involve more than one continent. In principle, however, they have no directive authority.

After all of this, it is no wonder that civil defense within the scope of NATO defense is often seen as only secondary. This, of course, is not satisfactory. Nor is it from the viewpoint of the military. For in an emergency, the military also depends upon communications and supply, two functions that--because of a lack of integration of logistics in NATO--must be handled by national civilian authorities, that is, within the scope of NATO civil defense.

From the overall view of the national and NATO tasks of civil defense, it is clear that their range extends far beyond civilian defense or even civil air defense. The conceptual basis of all planning is the consideration

1. that the nuclear inferno--so stubbornly conjured up by the opponents of civil defense--represents only one of several conceivable war scenarios, even a rather improbable one, for a number of reasons;

2. that every conflict limited in terms of weapons employment, firepower, space or time, as terrible as it may be, leaves opportunities to protect large parts of the population, to supply them and to carry out other planned and necessary civil defense measures; and

3. that these opportunities can be increased substantially and in part multiplied by taking the proper precautions.

Security Policy and Civil Defense

With respect to an external threat, the goal of our security policy is:

--to ensure the continuation of the state, its independence and its internal order

--and to protect the freedom of citizens in particular, their physical integrity and their rights.

The main features of Western and thus West German security policy as well can be summarized in the pair of concepts of the "securing of the peace"--presently mainly in relation to politics and diplomacy--on the one hand and "vigilance and defense readiness" on the other.

The highest value is thereby given to the securing of the peace. The main instruments of this first component of security policy are:

--the maintenance of a balance of forces,

--the limitation and control of the armaments of all countries,

--detente, that is, the gradual reduction of the East-West antagonism, and

--the renunciation of the first use of weapons.

The second component of our security policy--"vigilance and defense readiness"--is necessary, because it is precisely the determination and defense capability that links the aggressive intentions of a potential enemy with an uncalculable risk and that in just this way can give the necessary emphasis to the efforts for compromise and peace. It is only secondarily that vigilance and defense readiness are needed, because no one can guarantee that the striving to maintain the peace will be successful and because it is also true that we do not want to give up our freedom and independence in the event that the policy of peace fails.

In the foreground, then, is deterrence. It is thereby clear that the peace and defense components of security policy are not unrelated but combine to form a unified logical strategy.

To be sure, civil defense is also somewhat involved in the principle of the balance of forces but its predominant importance is in the efforts for vigilance and defense readiness. For vigilance and defense readiness also require the contribution of civil defense.

Civil Defense in the Case of Crisis

Deterrence plays an important role in the overcoming of crises. But deterrence presupposes a credible defense capability. Here civil defense is needed as well. It is thereby a matter not only of the civilian share in the establishment of full defense readiness but also a matter of the preservation of the internal stability of the nation.

This internal stability can be endangered by a number of circumstances:

--The public, for example, reacts to international tensions with alarm, which, by way of fear and panic, can reach the point where people want to flee.

--It can come to bottlenecks in the provision of foodstuffs and economic goods, and the public could react by hoarding.

--Without being discrimination, 4.7 million foreigners likewise represent an uncertainly factor. Many of them, especially those liable to military service, will want to go home and that means not only the loss of important manpower but also an additional load on traffic routes and the means of transport during a critical time.

--The last and most important example: in crisis situations, we must expect subversive actions: agitation against our defense resolve, possibly wildcat--that is, illegal--strikes, increased espionage, sabotage and terror.

Precisely this last example, by the way, makes clear the extension and intensification of the methods for settling international conflicts during recent decades. Previously an enemy beyond the borders was satisfied with pursuing his objectives through diplomatic and military pressure. Today it is quite self-evident that one must also expect an internal threat by a foreign enemy, who will seek to shake the internal stability of the nation that he is fighting. Threat situations that were originally attributable to the classical area of domestic policy are today often enough the initiated and planned part or the preparation for an attack from outside; corrective measures from the arsenal of domestic policy have thus become an instrument of the externally-directed security policy.

What else belongs to internal stability can be seen in a systematic breakdown. Internal security includes

--organizational stability (with the key words constitutional order and public security);

--economic stability;

--political stability, which requires state authorities with the ability to act and far-reaching agreement by the large state-supporting groups in vital national questions, including the fundamentals of security policy;

--psychological or intellectual stability, which can be described using the catchwords defense resolve and defense commitment, and

--social stability, ensuring that social conflicts can be avoided or settled in a suitable manner.

A central function of civil defense is to handle all of these challenges to internal stability while in a crisis. Not much can be done here with military means: if the civilian efforts are unsuccessful and if the subversive actions lead to disruption and paralysis domestically, for example, or if the will of the people to assert themselves breaks down, then there is a danger that the basis of defense, overall defense, will be destroyed without a single shot being fired. It is precisely for this reason, however, that the conscious attack against our domestic stability must be considered more likely than an actual hot war with the great risks for the aggressor or even escalation to a nuclear conflict.

The ensuring of internal stability is not the only challenge to civil defense in the scope of crisis management. If the crisis also includes an acute military threat or if the crisis gradually leads to such a threat, then the civilian side is also needed in bringing about full defense readiness. Since in peacetime defense readiness cannot constantly be maintained at the highest level, it must be increased abruptly in time of crisis. In the military area, the means for this are mobilization and deployment. In the civilian area, substantially more must still be done in accordance with an alarm plan to adapt the entire administration, the economy and public life to the requirements of a threatening national defense emergency. This requires measures to adapt administration to the changed tasks during crises and war, to control the economic potential for the purpose of optimum utilization for defense purposes, to activate all planning for the protection of the population, etc. And of course the measures for the establishment of full defense readiness on the civilian side also include those measures that are necessary and provided for in accordance with our list of tasks for civilian support in the establishment of military defense readiness.

Each of the two functional areas, the securing of internal stability and the establishment of full defense readiness, serves the typical double purpose for our security policy: on the one hand, the political demonstration of the defense capability and the defense resolve so as to be able to influence the fateful question of "war or peace" through credible deterrence and, on the other hand, the taking of precautions in case crisis management fails.

Deterrence and readiness--internally or externally--are closely related functionally. From here, the short path leads directly to the crucial switch that decides between detente and war.

Civil Defense in the Case of War

In case of war, what was prepared during the long peacetime period for this event would have to stand the test. The civilian contribution to overall defense, which would then be called upon, follows from the list of tasks presented at the outset. Broken down by functions, it is:

--maintenance of internal stability,

--maintenance of full defense readiness as established in the crisis and alarm phase,

--protection of the population, including welfare and supply; the humanitarian task then, whose successful accomplishment--at least in essence--is the real reason for overall defense.

In this phase as well, the contribution of civil defense serves to pursue those goals that have been made the basis of our security policy for the case of war: to limit damage and to restore deterrence to pave the way for a political solution to the conflict.

Overall Defense

Civil defense is an indispensable component of overall defense--indispensable not only for the people that it is supposed to protect but also for the troop. Civil and military defense presuppose one another; the one is the correlate of the other. Only together do the two form a self-contained and effective whole--overall defense--and military and civil defense have in fact long been interwoven and have grown together, not just in theory but also in their practical measures.

The consequence of this knowledge lies in the recognition of the fundamental equality of the two defense areas. It is regretable that in practice this rule is often not considered or is not given adequate consideration, especially with respect to political identification and financial support. By the way, this fact must be regrettable for both sides of overall defense but this really changes nothing.

With so much relevance for security policy, the natural question is what civil defense can do and how it is fulfilling its assigned tasks within the scope of overall defense. To be fair, it must be pointed out that civil defense, civilian management and the civilian political authorities are more involved in the social, administrative and political structures of our republic than is the military and accordingly they are largely dependent upon these structures. The following chapter deals with the resulting general conditions, some of which are also significant for the military while others are important only for the civilian side.

The Constitutional Bases of Civil Defense

In regard to crises and war, the basic constitutional order of the FRG has been significantly shaped by the so-called emergency constitution of 1968, that is, through the amendent of the constitution at that time in regard to the handling of cases of crisis or war.

In this subject, three basic principles of the constitution are relevant:

--the guarantee of basic constitutional rights;

--the system of the separation of powers, including an effective parliamentary and constitutional control of the executive branch, and

--the federalist structure of our political system.

The basic constitutional rights manifest how liberal our basic system is. Apart from insignificant extensions of possibilities for restrictions already in existence, the emergency constitution has made possible only one additional limitation of basic rights worth mentioning: the limitation of the right of free choice of a workplace and of inclusion in the work process in general. At least in principle, all other basic rights remain untouched even under emergency conditions, especially the basic rights of freedom of assembly, the freedom to associate, and the freedom of opinion and of the press. That means, for example, that the right to strike will continue unchanged in time of war and will be also in effect for those required to work. That also means that there will be no press censorship and that here--in the case of news of importance for defense, for example--we will rely on the voluntary self-restraint of the press. And neither will the constitutional right of citizens to appeal to the courts against any measure by public authority be affected.

Neither will there be any change in the second constitutional principle, that of the separation of powers, in time of crisis or war. In principle in all emergency situations, the Bundestag [lower house of FRG parliament] and Bundesrat [upper house of FRG parliament] retain all of the rights that they have today. This flows from the primacy of policy and is nothing short of an essential element of the concept behind the emergency constitution. With Article 80a of the constitution, the right of the Bundestag to control the government is even strengthened. Only if and as long as the Bundestag is unable to work because of the external circumstances in a national defense emergency does the Joint Committee--a small but for precisely this reason rather stable emergency parliament--supersede it and the Bundesrat. Under the concept of the constitution, the constitutional body "parliament" is therefore always able to act and always competent. There is no transfer of parliamentary powers to the executive branch in the state of emergency either.

In particular cases, the solutions that have been found--right to strike, freedom of the press, Article 80a, etc.--can be bothersome and will not satisfy everyone. But they are a compromise between the emergency precautions on the one hand and the observance of the basic principles essential for a liberal parliamentary democracy on the other hand. The will of the provider of the constitution--originally worked out very laboriously but ultimately supported by the majority--demands respect here.

The third constitutional principle with relevance in an emergency is the federative structure of the state. Three autonomous authorities--the Federal Government, the Laender, and the municipalities--stand side by side in our country. With the administrative districts, the kreises and communities, there are even five administrative levels. In peacetime, there is no general chain of command from the top to the bottom as in the military area. The Federal Government also normally lacks sufficient legislative compentencies for matters of importance to defense.

Here, to be sure, the emergency constitution has undertaken some corrections. For in a national defense emergency, and certainly only then, the Federal Government receives an unlimited directive authority over all agencies of the Laender and municipalities as well as a comprehensive right of legislation that is no longer limited to certain matters. But the federative principle per se remains untouched even in a national defense emergency.

The Administrative Organization

The organizational structures that are to be found in a comparison of the Federal Laender as well as within the individual Laender are extremely numerous. This makes the work in civilian administration quite difficult even in peacetime and naturally could also affect the speed, effectiveness and uniformity of administrative action in an emergency.

And the fact that in principle the tasks of civil defense are not being handled by its own agencies (as in the Bundeswehr of Bundeswehr administration) but are assigned to administrative agencies already in existence that were once established for completely other purposes has important consequences for civil defense. This "sub-tenant-role" results, for example, in:

--the splitting of the tasks of civil defense into a number of departments;

--the performance of these tasks by agencies that, in accordance with the preponderance of their functions, concentrate on completely different, namely peacetime, objectives and therefore frequently perceive the civil defense tasks as functional and psychological foreign bodies.

In general, it must be stated that in an emergency civilian administration must do some substantial reorganization and regrouping precisely in the organizational and personnel area. For many peacetime tasks can and must be dropped in an emergency, whereas others--those important for defense--are completely new (as, for example, the food and economic offices) or in any case demand a higher priority (as, for example, the offices for civilian defense and public security).

Especially these last examples make clear that the leap of civilian administration from the state of peace to complete defense readiness is longer, more difficult and more precarious than in the military area, which from the start is completely prepared for this transition.

The possibilities for relieving the named difficulties are limited and therefore must be used more thoroughly:

One should advance as many of the necessary defense measures as possible to the preliminary phase of a crisis or even to normal peacetime.

More important is the thorough preparation of the necessary organizational, personnel and material measures by administration. What has not been prepared does not work in an emergency.

Finally, the training of the planned personnel is closely tied to careful administrative preparation. Here the Civil Defense Academy also has an important function to perform.

Other General Conditions

Among some other general conditions that must be understood are:

--the defense geographic position of our country, which, in the event of a war in central Europe, would be the theater of the first defensive operations with all of their effects on the civilian population and which also would be largely dependent upon the other allies not only militarily but also economically;

--the liberal structure of our national economy with the principle of supply and demand, division of labor, technological sophistication, automation, economic concentration and the dependence of all production upon countless suppliers--all developments that could produce problems under defense viewpoints;

--the narrow financial framework: it puts pressure mainly on civil defense, for the ratio of the budget of civil defense to that of military defense is 1:60, even though NATO considers a ratio of 1:20 for appropriate;

--the mental and psychological situation in our country.

The upshot is that in the overall political and social view defense and especially civil defense must deal with quite a number of basic data from the outside. Many of these factors cannot be changed and we do not want to change others--our free market system, for example--but we must orient ourselves to these basic conditions and therefore be aware of them.

Status of Civil Defense

The state of readiness of civil defense is not uniform. There are weaknesses that in an emergency can only be overcome through redoubled efforts, much imagination and above all improvisation. At the same time, there are areas in which the measures have made more progress than even interested observers suppose. The result of years of work by officials of the Federal Government, Laender and municipalities familiar with civil defense tasks should not be underestimated, nor should one overlook the contribution of the many voluntary helpers who have put themselves in the service of civilian defense in particular. On the whole, civil defense is capable of making the necessary contribution that can reasonably be expected, although not for all areas.

A planned amendment to the Civilian Defense Law is to bring some improvements:

--an adaptation of civil service law to emergency requirements,

--regulation of civilian defense health needs, something that has been lacking for years,

--the establishment of compulsory service in civilian defense,

--a requirement for protective shelters in new dwellings.

Precisely this last item would be an extraordinary gain not only for humanitarian civilian defense but also for overall defense.

To be sure, the psychological environment for such projects is difficult and essentially this can be attributed to three reasons:

1. to an underdeveloped state consciousness and an inadequate understanding of democracy explainable through the historical development of our people;

2. to the view that any defense is ineffective anyway in a nuclear age and therefore senseless;

3. to the revolt against the consequences of a war with the instinctive attempt to repress all related questions.

Even more than military defense, civil defense lacks a stable and broad psychological backing. In recent times, some critics have even held the view that a protected population makes it appear possible to wage war and actually induces one to try it. The concept of the hostage function of the population, a perversion of security policy considerations, is prevalent. As though a war between the large political blocs in the world depended upon the protection or nonprotection of the West German population; as though it were actually a matter of such considerations of the attacked rather than of the potential attacker (who, by the way, manages a rather effective civilian defense without being scolded for it); and as though our government did not know and has not taken into account that a war would claim many victims even with optimum protective measures.

Where there are breaches in defense readiness, it is a matter of nothing less than mental or psychological stability in the sense of the internal stability of our political system. In the meantime, it should be clear that the potential enemy is purposefully using the undermining of defense morale as a weapon. The urgency of addressing the resulting questions is obvious.

To bring about a fundamental change is a difficult task, however:

First on this path must be the striving for a new recognition of the positive values of our basic system. Even if there is loud resistance, our young people above all must be made more aware that our present political system with all of its blemishes and all of the human weaknesses of its representatives provides a degree of freedom that we have never before had in German history, a free, democratic and constitutional system that in any case should appear to a wide majority of our people to be worthy of being defended--internally and externally.

Second is a comprehensive and understandable clarification of the facts that are the basis for our security policy and our defense concept.

Third, we need a credible, unequivocal and objectively convincing identification of those responsible, especially the politicians, with the security concepts that are found correct; not only from individuals but from all those having responsibility for this in the Federal Government and Laender, in parliaments and governments.

On the basis of such an honest and courageous strategy, an increased understanding could also be gained for civil defense. Since in broad areas civil defense must not be seen as a state task, what it needs above all is the active participation of the population itself. The point of departure in the necessary rethinking must be the knowledge of the strategic importance of civil defense in the structure of overall defense--a civil defense that must make a contribution not only to the establishment and maintenance of defense readiness but also to crisis management and thus to securing the peace.

9746
CSO: 3620/609

MILITARY

GREECE

BRIEFS

AIRCRAFT INVENTION OVERLOOKED--A Greek invention is left to rot in bureaucrats' drawers and the country will pay hard currency to purchase the "idea" from abroad. The system has been invented by an active duty officer of the Air Force and makes possible the resupply of planes and helicopters with sea or fresh water while in flight. This officer submitted a confidential report to the Ministry of National Defense and the GEA [Air Force General Staff] in 1983, according to which this invention facilitates the resupply of fire-extinguishing aircraft and presents many possibilities for its use by various types of planes and helicopters in the Greek Air Force. Moreover, the system can be produced by one of the Greek arms industries, its cost is advantageous, and its production will save money and time. It could also be exported, to produce immediate financial advantages for the country. However, as far as we know, these plans remain abandoned somewhere, while a similar system was presented last year in England during an air and space exhibit by the firm "Masters of the World," which aroused great interest. Poland and Canada were especially interested, and these are the markets from which Greece purchases most of its fire-extinguishing air equipment, etc. This means that these countries will soon sell us a British invention similar to the Greek one which is being ignored for unknown reasons. [Excerpt] [Athens ETHNOS in Greek 23 Mar 86 p 5] /6091

CSO: 3521/121

FOREIGN AFFAIRS EXPERT ASSESSES USSR FORCES ACROSS BORDER

Oslo AFTENPOSTEN in Norwegian 12 Mar 86 p 2

[Article by John Berg: "Soviet Forces in the North"]

[Text] In all areas where the development is rapid situations arise which require new ways of looking at matters. This is not unknown to the media, which themselves are in the midst of such a situation. Nor should it be unknown in security policy since history can point to many and dramatic examples.

But in the Norway of today recognition that the Soviets' armament has entered a new phase which requires new viewpoints nevertheless seems to be come very slowly. Many Norwegian descriptions of the Soviets' forces in our close vicinity remind us today of a statement that "Hansen has bought four tires, a steering wheel, an engine" etc. where it is overlooked that Hansen actually bought a car. It is overlooked that counting divisions in the Leningrad military discrict no longer reflects the Soviet organizational structure with which Norway is confronted. This leads to wrong conclusions, among others that there is some meaning in the term "nuclear-free zone" and that the Norwegian defense efforts can still be formlated on the premises of the 1970s.

The Military

It is the security politicians who are lagging behind. The Norwegian military is well informed of the development and has certainly formed its own opinion on what this entails. But when Norwegian military chiefs are to give a presentation and inform, they have a tendency to imitate the security politicians in their use of words and mode of presentation. Thus they often veil their own message. The chief command of the Defense still lacks an information organ which can be based on the military's own ground and identify which problems have not yet been expressed, in order to translate the military's opinion into words and phrases which can take root and affect the basic approach to military reality.

In addition we should abolish the odd tradition that the political leadership of the Defense comes out with evaluations of the purely military development. The politicians are not professional military personnel. In this area they should be content with a critical dialogue with the military. Look at Sweden.

The Operational Theatre

The point of the matter is that counting divisions does not tell us the crucial points regarding the Soviets' operational patterns in a war. Thus, we just need to study the operative organizational structure; and it is in this area that dramatic events have happened with the Soviets in the past few years:

Some of the ground forces in the Leningrad military district have been gathered in an army, while the remaining divisions will be distributed among two army corps, which thus will also be able to operate as armies. But even if this is often overlooked in Norwegian presentations it is old news and only the "insides" in the organization we have to react to.

The command and support elements in the area tell us that perhaps all these three armies will go in one front. Such a front is not what we associate with a "front line".

The front is the Soviet army's basic operative unit. We can call the front in our vicinity "Arctic Front". The name "Northern Front" is taken up by the northernmost front in Central Europe, which is presumably aimed at Northern Germany, Denmark and in the next round Southern Norway. A "Sweden Front" is also conceivable in the area. But we still have not come to the point.

In the 1980s a Soviet military technology in rapid progress has made it possible for the Soviets to raise their operative planning to a new level, above the front level. All of Europe is now divided into three operational theatres, which many Norwegian military personnel like to describe with the telling Soviet technical term "strategic directions". Norway is located in the aim of such a "strategic direction" , i.e. the operational theatre North-West.

It is the objective of an operational theatre to be able to amass very large ground, air and naval forces in fast and precisely coordinated fighting operations. And here we have come to the point.

The Soviet military leaders can do no magic. New organizational forms do not give the planes a longer reach and the combat vehicles a faster cruising speed. But it is a basic fact which is often overlooked by Western census takers of divisions that again and again throughout history new organizational and operational forms made it possible to gather with lightning speed and win while the losing side can be left with partly large forces placed at a wrong location. A good example of what the new situation entails is that the Soviet have gathered their long- and medium-range fighters in five huge airforce armies with headquarters in Legnica, Vinnitsa, Smolensk, Moscow and Irkutsk. This provides the possibility of amassing very large air forces against one area one day, and against a completely different one the following day. The reader can find several details of the "stratetic direction/operational theatre North-West in the author's book "Threat against Norway" (University Publishing House 1984).

The first thing we have to do in the Norwegian debate is to realize that the operations of the Soviet Northern fleet will be integrated into the new structure. To discuss naval exercises and Norwegian-Allied efforts without facing this is to turn one's back to the reality of the 1980s. We must further listen very closely to what the military has to tell us regarding the development. The security politicians have not told us anything. The military on its part should reevaluate their information style.

12831
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MILITARY SPAIN

CIVIL DEFENSE EVACUATION PLANS LACKING FOR MADRID

Madrid EPOCA in Spanish 10-16 Mar 86 pp 48-52

[Article by Juan Carlos Sainz de Ayala: "If Madrid Had To Be Evacuated"]

[Text] The possibility of a mass evacuation of a great metropolis such as Madrid must never be ruled out or taken with the casualness exhibited by government agencies on which such a decision and implementation would depend. The Spanish Civil Protection agency itself defines as a risk "the possibility that something might occur to endanger the lives or property of the citizens." Catastrophe is interpreted as a "risk that might affect a community of persons or property and requiring the coordinated intervention of all resources available to the respective government agencies."

Such a catastrophe would be fought on three fronts: Prevention, in order to limit the consequences; planning of particular types of action for every case; and the coordination and synchronization by one command center of the different services that must move into action in an emergency. The continuing action of public bodies is aimed at the study of situations of grave risk and the protection and rescue of persons and property in cases where such situations occur." So much for the theory, always explicit and effective, which fills pamphlets and manuals and justifies dozens of government paying spectacular salaries! But when we tried to ascertain whether they truly function, we came away with more than one surprise.

Total Ignorance

We began our work at the Government Delegation in Madrid, continuing with the General Directorate of Police and the Ministries of Interior and Defense. It was necessary to begin at the bottom in order to discover whether each one of these organizations had clear and specific guidelines permitting rapid, well-organized action, free of any improvisation. But we always obtained the same response: "Evacuation? What strange things you newsmen dream up! Naturally, we have no such thing here. Nevertheless, go to Civil Protection to see whether they know anything." It was even hinted that "perhaps it would be better not to publish anything about this. The people get very nervous, you know." We were off to a good start for the peace and tranquillity of all Madrid residents, and our findings would apply to any Spanish city whose situation and peculiarities might involve any kind of risk. So we went to Civil Protection.

Once at the office of the director general, Antonio Figueruelo Almazan, we did nothing more than present a hypothetical situation which, although little likely, was nevertheless very real, one implying the possible evacuation of Madrid residents: A terrorist commando group armed with a homemade atomic bomb would threaten to destroy the city if his nonsensical demands were not met. However, we could have used other causes, such as floods, earthquakes, epidemics, poisoning of the water, and so on. His response could not have been more categorical: "First of all, I wish to make it clear that I do not believe it proper to point out the weak points of a society. There are too many lunatics who are increasingly well-equipped from a technical standpoint to give them any more ideas. Furthermore, the truth is that there are no plans for a real or theoretical case such as the one you are presenting. They did exist in the 1960's, in the midst of the cold war: the PIE or Initial Evacuation Plan, worked out by the military. But it is now obsolescent and unworkable. Nothing similar has been done since. But I can tell you this: To evacuate Madrid in an orderly fashion in the case of emergency is materially impossible." Incredible, but true. The Security Forces will await orders from those who should have everything worked out ahead of time, but there is one small, insignificant detail: Nothing has been planned. This ostrichlike attitude could mean thousands of deaths during the early hours of panic, when the masses, feeding on rumors, would go out into the streets.

CONEMRAD

Impossible? Let us think for a minute about what would happen. In the case of nuclear attack by missiles (let us remember that several warheads are continuously aimed at Spain and other European nations), there would scarcely be minutes to react. Evacuation in such a case is impossible and even counterproductive. The most logical thing to do would be to alert the population so that the people might go to underground shelters, apartments or subway tunnels. The government has the CONEMRAD communications system by means of which it can interrupt any television or radio broadcast in the country and transmit any news bulletin from a central command post controlled by army. Studies have shown that if the population of Hiroshima had been warned of the nuclear explosion only 5 minutes ahead of time, there would have been up to 80 percent fewer victims. But if one had hours or even several days, what would happen?

Theoretical Evacuation

Such a plan should consider that only 30 percent of the population could leave in their own vehicles, carrying everything essential to their own survival. The rest -- and one must think of the sick, disabled, elderly and children -- would have to be evacuated by other means. One would have to requisition all public and private buses and trucks, make maximum use of railroads and planes, taking the people to places far from the downtown area by massive use of the subway. The maximum number of persons would have to be gotten out and... taken where? One would first have to have readied shelters with provisions in the form of food, water and medicine. Such large-scale planning would require clear guidelines and the joint, coordinated action of all security forces, not to mention the countless civilian volunteers. Civil Protection would -- at least theoretically and on paper -- have drawn up a plan, but it is clear that it has not even thought of such a thing.

Masses and Panic Equal Chaos

The mobilization of masses is in itself a difficult and complicated task because of the need to channel them. Under normal conditions and with the time necessary, a demonstration, soccer game or the morning traffic made up of thousands of cars in Madrid can be controlled if there is previous planning anticipating the needs of the masses before, during and after the transfer. And not only their needs, but also the unforeseen events and complications that might arise. The key to success is perfect planning and the establishment of order making the practical realization of plans possible. The individual then ceases to be a personal entity and becomes part of that depersonalized mass obeying the established order.

However, there is one factor that undoes all plans, making the masses uncontrollable: panic. Imagine that shots are fired during a demonstration of thousands of persons, that the steps of a soccer stadium are set on fire or that the traffic lights go out in a city at 7:00 in the morning. One's individuality is then reasserted in the search for one's own salvation, a way out at all costs, no matter who is hurt. Chaos is the certain result, in recent events causing more victims than those that instigated it.

Let us suppose for a moment that such a plan truly existed, with all its parts worked out in detail. Would it work? There are opinions on all sides, but they do not hold up under the slightest logical analysis. Assuming an alarm as the result of a situation of high risk to the population, one would have to have several hours to put the plan into operation and this with the cooperation of volunteers. But would there be any? Normally, each one would first save his family and himself at any cost. As far as the security forces are concerned, they are made up of persons with families in danger and with weapons which at any given moment they might use on those obstructing the path of escape to their own salvation. How many would remain at their posts? What about the buses, trucks, the subway? Who would drive them? One would have to assume a high sense of sacrifice in each of the drivers who would leave with their vehicles loaded and *return* to the center of danger to pick up more people.

The departure of automobiles would be chaotic and a time would come when all roads would be blocked, especially at intersections and streets carrying the heaviest traffic. Chaos and panic would cancel out the effectiveness of police officers and the army itself, which would have to impose order -- that is, if anyone were left in the barracks! Total chaos. One has but to think how it is returning to Madrid under normal conditions when there is no fear or panic involved. Furthermore, ways out of a city such as Madrid do not present the conditions necessary for such an evacuation, nor were emergency situations taken into account even remotely when they were planned: bottlenecks, merging traffic, and so on. Even with one-way traffic out, the avalanche could not be avoided.

Another problem to be solved would be the hordes of looters fonder of stealing than of their own lives, who would proceed on the basis of "just in case it does not happen" and make off with anything they could get their hands on.

Disorder, theft, murder: One has but to think of the famous blackouts in New York to realize the dangers of an uncontrollable mass facing an abnormal situation.

European Solutions

In other countries such as Switzerland, citizen and government consciousness has reached such a state that there are at present 4.25 million places for refugees for a population of 6 million! Planning is so effective that in 10 minutes, over 90 percent of the population could be safe in a shelter. Regular civil protection personnel total 625,000. During the 20 years from 1970 to 1990, 3,500 pesetas per person per year will have been spent. If Spain wanted to reach that level, it would have to spend the insane sum of 140 billion a year for 20 years. Let us note that the Spanish Civil Protection investment budget for this fiscal year amounts to 400 million.

We are European, but only for some things. In other areas, we are on a par with Ethiopia. And if Civil Protection itself accepts that the best means to fight catastrophes is to foresee them and plan possible solutions so that the bull does not gore us, then let us proceed to plan! Just because there are no clouds in the sky today does not mean that it will not rain tomorrow, because the fact is that now, today, we have no other recourse but to commend ourselves to Santa Rita and be caught having confessed our sins, with the blessing of the Civil Protection!

11,464
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MILITARY SWEDEN

INTEGRATION OF CIVIL, MILITARY EFFORTS IN 'TOTAL DEFENSE'

Bonn INFORMATION FUER DIE TRUPPE in German Aug 85 pp 51-65

[Article by Comm Egbert Thomer (Reserve): "Neutral but Armed - Sweden's Civilian and Military Defense Efforts"]

[Text] "To protect and save lives," is the motto of the Swedish civil defense service, which is sustained by 200,000 men and women. In the event of tension, large and medium-sized towns are evacuated; 5.5 million sheltered seats in underground bunkers are available to the remaining workers. Then the statement that "a country goes underground" becomes appropriate. Full protection is ensured for 8.4 million Swedes. In times of peace the shelters are opened extensively to civilian use, such as garages, multipurpose halls and sports facilities. An example of this is Stockholm's Katarina bunker which can accommodate 25,000 people.

The measures for applied defense readiness in all spheres are taken very seriously. According to a survey, 85 percent of the total population regard the Soviet Union's armament activities as an expresssion of a serious threat. The submarine incidents by Soviet units in Swedish territorial waters have contributed considerably to this attitude. Monitoring and defense preparations on the 1,600-kilometer-long Baltic coast are thus being permanently supported.

The Armed Forces

In the event of mobilization, Sweden's total armed forces comprise 850,000 men, including the home guard with 110,000 volunteers and 30,000 members of installation defense units. All of the units of total defense are operationally ready 72 hours after mobilization. A few hours are sufficient for the local home guard units of 100 men to report for duty at designated positions. Every home guardsman has his equipment, along with weapon and ammunition, in his clothes closet. The heavy gear is stored in central depots. In peacetime, only 18,200 professional officers and 24,000 civil servants belong to the active units of army, air force, navy and coastal artillery. Added to that are 11,700 reserve officers who perform armed forces duty. Every year 50,000 recruits are called up for basic military service for between eight and nine months. Specialists have to serve from 10 to 15 months. Universal compulsory military service includes all male citizens between the ages of 18 and 47. Parallel to that, there is civil defense obligation for men and women between the ages of 16 and 65. In the event of mobilization, the ground forces comprise four armored brigades, 20 infantry brigades and four Norrland Brigades. Added to that are 50 independent infantry, artillery and antiaircraft battalions. There are 100 independent battalions and from 400 to 500 independent companies available in the 26 local defense districts. There are four defense regions with 15 districts in the coastal section. All of Sweden is divided into six military regions and the Gotland Military Command. The entire armed forces (army, navy, air force) are subordinate to the respective military region commander, who can act independently and decide on points of concentration in accordance with defense strategy requirements.

Organization and Equipment

The Norrland Brigades (5,500) with brigade headquarters, and headquarters and reconnaissance company, are elite units. In addition to three rifle battalions, the brigade includes an assault-gun company, an artillery battalion, an engineer and supply battalion each, as well as an antiaircraft battery. The type STRV-103 S turretless battle tanks, which are integrated into the armored battalions, are being modernized at present. They are getting diesel engines and laser rangefinders. The 39-ton vehicle is equipped with a 105-mm gun. There are also infantry gun carriers (IVK-91), STRV-101's (Centurions) and armored personnel carriers (PBV-302) on hand. The 155-mm automatic cannon developed by Bofors received much attention abroad. All combat units are equipped with armor-piercing weapons. The RBS-70 missile system, which can be employed in a one-man operation, is used for low-altitude air defense. Its advanced development into a night combat weapon has now been introduced.

The elongated country (the greatest north-south extension is 1,600 kilometers) lies under the "STRIL-60" shield, a semiautomatic electronic system used as an aircraft warning and fighter control system. Units of the air force (peacetime size: 9,600 professional and long-term military men, as well as 4,600 conscripts) are based at the well-developed fields at Karlsborg, Satenas, Soderhamm, Nykoping, Angelholm, Kalmar, Tullinge, Norrkoping and Ostersund. Moreover, provisional landing fields (along with support installations) are available on numerous national highways. There are 410 operationally ready combat aircraft. The outfitting of the air force with the SAB-37 "Viggen" supersonic fighter aircraft is finished. A multipurpose combat aircraft is being developed. A total of 28 squadrons are in service, including also fighter-bomber and fighter units as well as reconnaissance squadrons. Since there is no independent naval air force, the fighter squadrons also have sea combat missions to fulfill. In addition to the air force's own helicopter squadrons, there are equivalent units in the army and navy.

A fleet and coastal artillery form Sweden's navy, which has about 10,000 men in peacetime. Since the decommissioning of all larger vessels (up to and including destroyers and frigates), the surface forces now rely only on seaworthy fast patrol boats with missile armament. The fleet has 34 fast patrol boats; six missile boats are under construction, and two command ships in addition. The RBS-15 (4.40 meters long, weighing 600 kilos, range 54 nautical miles) was developed domestically. Swedish submarines also meet high standards. Four A 17-class attack submarines (about 1,070 tons, wire-guided torpedos, 19-man crew) are under construction. Twelve submarines which were built between 1961 and 1980 are in service. The rescue submarine "Urf", which can dive to an ocean depth of 460 meters, merits attention as a special vessel. The minelayer fleet is also strongly developed; at the top are three large minelayers which can accommodate 110 mines each and which can be used as command ships. The coastal artillery has 13 small mimelayers. There are 28 minesweepers in service; six more with plastic hulls (Landsort type, 350 tons) are to soon be delivered by the Karlskrona national shipyard. These minehunters are getting most modern detection systems. Four unmanned minesweepers with catamaran hulls sail by remote control.

Total Defense

Sweden's defense policy concept is oriented to "total defense," which includes the whole society on all levels. Thus, military men cooperate closely with civil defense as well as with economic and psychological defense. The Defense Council coordinates all measures. It includes government representatives and the heads of the most important organizations. All leading civilian and military officials have to complete joint training at the National Defense Academy. The nerve center of all defense policy matters is the "People and Defense" central organization, which undertakes the mission of disseminating information on total defense, strengthening general defense interest and consolidating the will to resist. One of the major organizations in total defense is the Lotta Corps with its 65,000 women auxiliaries. The Swedish Red Cross combines 550,000 men and women. Furthermore, there are other volunteer organizations from the automobile corps to agricultural aid.

Civil Defense

Sheltering and evacuation measures are the main pillars of the Swedish "Civilforsvaret" (civil defense), which can lean on a long tradition, for the Swedish Civil Defense Association was founded way back in 1937. The first air defense law went into effect on 1 July of the same year. The introduction of general civil defense duty came about in 1944; in 1967 the "General Directorate for Civil Defense" was removed from the jurisdiction of the Ministry of the Interior and assigned to the Ministry of Defense. Civil defense is also divided into six civil defense regions, corresponding to the national military organization. At their top is always the civilian commander with his staff (equivalent to the German Regierungspraesident [main administrator of a bezirk/district]). He is responsible for coordinating all civil defense measures. Within these terms of reference he possesses authority to issue directives to the district governments. There are 24 district governments and 272 large municipalities.

Around four million people are covered by the stipulated evacuation measures, in order to take away any meaning from possible terror attacks on the civilian population from the outset. There are extensive shelters, which can meet the highest requirements, for the civil defense personnel remaining in the cities. Some of the collective shelters which accommodate 100,000 persons withstand excess pressure up to 10 atmospheres. Every multiple dwelling in all towns with more than 5,000 inhabitants contains an adequate standard shelter. Every Swedish citizen is in principle committed to self-defense. Every inhabitant receives from the state a protective mask with special filter. All specialties, from fire protection to rescue service, are represented in local civil defense. Twenty auxiliary corps with a total of 10,000 men are available in the supralocal civil defense service. The 13 largest cities are the locations of the corps (they each comprise 450 men with 100 special vehicles). A telecommunications team and support units form part of the corps headquarters. Two rescue companies, a fire-protection platoon, a supply and repair platoon, as well as an headquarters company ["Ordnungskompanie"], are combined in the corps. (It also assumes guard and traffic control tasks). Persons liable for military service, who have passed the age of 35 and were exempted from service in the armed forces, have to serve in the auxiliary corps.

There are 200,000 persons in the service of the local civilian defense organizations in peacetime. Another 50,000 perform work protection tasks. The portion of female assistants in local civilian defense is 20 percent of the overall size. Women have important tasks to perform in command service, in ABC protection and medical services. In accordance with the legal requirements on "weaponless service obligation", conscientious objectors have to perform substitute service lasting for 540 days.

The General Directorate for Civil Defense can have an annual budget of 155 million Swedish kronor available. Added to that are 30 million kronor for regional civil defense plans. Moreover, private parties spend around 110 million kronor annually for civil defense; around nine million kronor are allotted to the municipalities.

The emergency council, attached to the Ministry of Social Affairs, is responsible for all medical services tasks. The military medical service is also responsible for any people from the civilian population who might be wounded in a combat area. It takes care of transportation and maintenance. The joint care of civilian and military patients is basically assured. Medical specialists are liable to service until they pass 70 years of age. That also holds true for women. Large stores of medicines and medical material are maintained in all civil defense regions.

Defense Against Invasion

Maintaining peace is regarded as the primary mission of the armed forces. If that does not succeed, because an aggressor violates the sovereignty of Swedish territory "wherever it may be," then all measures for defense against invasion come into effect. Every Swede who is fit for military service and who is not committed to other important tasks within the framework of total defense, has to take part militarily in the fight for the country's sovereignty. In such an event, the armed forces are under the orders of the commander-in-chief, who bears total responsibility vis-a-vis the government, while the commanders of the army, navy and air force are responsible for their components. This especially holds true for training and organization. The military commanders are in absolute charge of all military activities in their regions in the six military districts.

An independent air force command is responsible for the operational command of attack forces, while all fighter squadrons remain subordinate to the military commanders. There is no difference in this command practice between war and peacetime, so that an overall operable force of all military branches remains assured. Neither the forces in the field nor their command echelons have to adjust to new orders of battle. The basic staffs remain; they only need to be filled with personnel.

Territorial waters and airspace are subject to constant monitoring. The checking of the coastal zones -- and inshore waters in particular -- was intensified after the recent incidents with Soviet submarines. New electronic systems and special antisubmarine helicopters perform valuable service in doing this. The bulk of air force is in a permanent state of operational readiness. A staff officer at Tullinge base, near Stockholm, commented: "We can be in the air within a few minutes if the alert command comes." Certain contingents are kept in a state of high operational readiness in the case of coastal artillery and ground forces as well. This is particularly true of war and exercise units which are involved in the regular refresher training.

Mobilization measures can be put into effect quickly, as arms, ammunition, light and heavy combat gear of the war units are stored in numerous mobilization depots at various sites. The spacious accommodation almost completely precludes any disruptive actions worth mentioning. Armored, infantry and Norrland Brigades (with 5,000 to 6,000 men each) have high combat value in the formation of the ground forces. They are combined in divisions with the corresponding command, support and supply units when mobile defense is conducted.

The mission of the territorial combat units is to defend border and coastal sections, airfields, ports and command posts. Mobilization can be effected under the security screen of the immediately available home guard forces. All installations important to defense throughout the country are protected by local home guard units, which can also have heavy gear at their disposal.

Infrastructure and Budget

Large parts of the Swedish defense capability are accommodated in rock bunkers, which also offer secure protection against the use of nuclear weapons. The naval bases blasted into the steep cliffs of the Batlic coast deserve particular attention. They can accommodate vessels up to 3,000 tons. They are at the same time drydock and supply base with their own energy sources. Air force operational bases also depend on rock structure: their hangars are located under meters-thick granite covers. All enterprises important to war could also be accommodated in underground galleries, so that their production capacities remain assured even if enemy counteraction should loom in the immediate vicinity of the installations. This is particularly true of aircraft industry plants, whose production lines were set up in rock caverns along with appropriate supplies of material.

The general directorate of national economic defense can likewise count on numerous protective installations in which extensive emergency stocks are stored, so that the population can also be taken care of over a rather long period of time. This general directorate acts as a central coordinating body which is responsible for the planning and preparation of provisioning and "preservation of vital services." The storing of provisions of all sorts (food, industrial raw materials, fuels) in all the military regions of the country guarantees that the defense capability is maintained even in the case of island positions. Oil supply plays a particular role in this, especially since Sweden does not have any kind of petroleum source of its own.

The armed forces components have on the average the following share in the defense budget: army = 38 percent, air force = 33 percent, navy = 16 percent, total materiel = 13 percent. The defense budget for 1983/84 ran to 20.5 billion kronor. That means: the portion of defense expenditures in the total budget amounted to seven percent (in 1977/78 it was still 10.1 percent). The change of trend to smaller budget appropriations occurred at the turn of 1079/80 under the protest of the commander-in-chief of the Swedish armed forces. Slight increasses occurred last year as a result of Soviet behavior, and led to the quick procurement of some antisubmarine helicopters. Furthermore, there was an extensive modernization of the electronic monitoring system in areas near the coast. Also introduced were automatically working underwater hydrophones which transmit their location reports around the clock to operational combat centers.

One of the main missions of psychological defense is "to maintain and strengthen the will to resist in order to counteract enemy propaganda." The "Commission for Psychological Defense" is responsible for the planning and implementation; among its members are well-known personalities, including university professors, journalists and politicians. The aim of its work -- even under wartime conditions -- is mainly to assure factual, adequate and quick instruction of the population. The inclusion of the modern media plays a particular role in this. The function of the so-called "staff editor", a well-established newspaper editor with special knowledge from the area of defense policy, who has pledged to provide objective reporting and commentary of events in a state of defense, is unparalleled. Upon being inducted, he acquires the rank of a lieutenant colonel who is to perform exclusively journalistic tasks within the framework of total defense. This role of the "journalist soldier" is taken very seriously; it has stressed its importance in numerous planning exercises. "Good public relations work helps save human life," thay say about this at the Ministry of Defense.

13084
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PRC SIGNS CONTRACT TO OPEN TRADE OFFICE IN FRANKFURT

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 4 Mar 86 p 12

[Unsigned article: "Chinese Foreign Trade Office Comes to Frankfurt"]

[Text] In the fall of 1986 at the latest the PRC will establish a foreign trade office in the rooms of the Frankfurt Chamber of Industry and Commerce, from which all of Western Europe is to be looked after. The planned branch is part of a comprehensive agreement between the China Council for the Promotion of the International Trade (CCPIT) and the city, which was signed over the weekend prior to the opening of the International Spring Fair.

The contract, which was signed by the president of the CCPIT, Jia Shi, and Chief Mayor Walter Wallmann, is aimed at a significant intensification of the economic relations between the PRC and the FRG, but especially the city of Frankfurt. Starting in 1988, the PRC is to be represented with a first presentation at the International Spring Fair. In response, the Chinese want to provide the Frankfurt fair "at the earliest time possible" the opportunity to appear at exhibitions in the PRC.

But, to start with, the CCPIT, which as official nonstate organization is comparable with the German Chamber of Industry and Commerce, will send five representatives to Frankfurt, who are to receive an about 6-month training in Western fair management and marketing from the fair company.

The signing of the contract was preceded by a five-day stay of a CCPIT delegation in Frankfurt. The guests visited the Deutsche Bundesbank (German Federal Bank), Hoechst AG, the Deutsche Bank (German Bank), and the Flughafen AG (Airport Corporation). In Wiesbaden they met with Hans Krollmann, the deputy minister president and finance minister. In the Frankfurt Chamber of Industry and Commerce, a presentation of the PRC economic policy took place, in which the delegation members held lectures, e.g., on important questions of industrial property rights and the patent system as well as also on the autonomy regulation of the various PRC provinces.

Chief Mayor Wallmann told journalists that the contract was "important for our city," for Frankfurt as the most important FRG economic center offers ideal conditions for deepening the economic relations with the PRC. In answer to the question whether other FRG cities had been under consideration as location of the foreign trade office, CCPIT president Jia Shi said that his organization had always planned to establish only one branch, "namely in Frankfurt."

Jia Shi, who expressed thanks for the "friendly welcome" in Frankfurt, invited Wallmann, President of the Chamber of Industry and Commerce Messer, and the executive secretary of the Fair Company, Horst Stauber, for another visit to the PRC, during which a further intensification of the economic relations should be discussed.

Messer as well as Stauber stressed the growing importance of the Chinese market for Western Europe and the FRG. Messer said that the Chamber of Industry and Commerce makes its infrastructure available to FRG firms to facilitate establishing contacts. In the near future, the Chamber of Industry and Commerce will offer intensive courses in Chinese.

The president of the Chamber of Industry and Commerce estimated the value of the 1985 FRG goods exports to the PRC at DM 6.5 billion, while the imports were only around DM 3 billion. In 1985 the export grew 116 percent.

Executive Secretary Stauber said that the fair must see to it that firms have access with their technological know-how "where markets develop." The fair system in the PRC with its roughly 200 exhibitions annually which, however are "of varied quality," is extensively developed. The Frankfurt Fair must now "very carefully examine and then decide when and where we climb aboard."

Wallmann and Stauber gave a guarded answer to the question concerning the dispatch of Frankfurt Fair people to the PRC. The chief mayor said that this possibility will be "used when the time is ripe."

The head of the Frankfurt economic department, Mayor Hans-Juergen Moog, had not participated in the signing. Messer said Moog is to travel to the PRC this weekend.

12356
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PRC CANCELS AGREEMENT TO PURCHASE NUCLEAR REACTORS

Hamburg DER SPIEGEL in German 10 Mar 86 p 164

[Unsigned article: "Painful Blow"; first paragraph is a SPIEGEL observation]

[Text] Since the German reactor builders did not get a chance in China, it is completely unclear what is going to happen with regard to Beijing's nuclear plans.

The 48 red files in room 2657 of the Beijing "Minzu" Hotel only have documentary value since the past week: The billion project of the FRG Kraftwerk Union (KWU), which is described there on thousands of pages in all technical details, has been canceled by China's economic planners because of a lack of capital and foreign exchange.

The thus far biggest German-Chinese nuclear project involved the turnkey construction of two nuclear power plants with 1000 megawatt each. The Chinese rejection is "a painful blow," according to Werner Henschel, KWU's Beijing representative. The Siemens subsidiary had already invested DM 10 million in the project.

Last summer, foreign ministers Wu Xueqian and Hans-Dietrich Genscher, watched by the satisfied smiles of Federal Chancellor Helmut Kohl and Premier Zhao Ziyang, had agreed in Bonn that the Germans were to deliver a total of four nuclear reactors. Two years ago the FRG had concluded an "Agreement on Cooperation in the Field of the Peaceful Use of Nuclear Energy." "Nuclear energy is safe, clean and a progressive energy source," Vice Premier Li Peng raved at that time.

Three to four large and medium-sized nuclear power plants were to be built by 1990; by the turn of the century Beijing wanted to have ten nuclear power plants with a total capacity of 10,000 megawatt. By the year 2000, the estimates went, nuclear power would constitute about 4 percent of the total Chinese consumption of electricity.

Following the latest decision, not much will be left of the ambitious plans. For the time being, only two nuclear power plants are to be built.

The Qinshan nuclear reactor in Chekiang Province is to go on stream with 300 megawatt in 1986. The power plant will supply especially Shanghai, the city of 10 million situated 126 km to the north. The Qinshan reactor, constructed according to the obsolete technology of Westinghouse, the U.S. power plant builder, is praised as the first domestic development. Also being continued is the construction of the Dayabay nuclear power plant in the southern province of Kuangtung, which, with a capacity of 1800 megawatt, will sell the power for good foreign exchange to nearby Hong Kong.

Here, too, KWU had submitted its bid--without success. The Chinese negotiated with the British and the French; the contract is not yet set. Early March, the rumor goes, the final award is to go to General Electric and Framatome.

The German power plant builders had negotiated with all the more determination in connection with the project that has now been stopped. At the end of 1985 delegations numbering up to 40 persons had discussed all details for the construction of the first two pressurized-water reactors with the Chinese in Beijing and in Wuxi near the planned location. As recently as early March, KWU chairman of the Board Hans Frewer negotiated in Beijing. "The technology was 100 percent clear," KWU representative Henschel said, "we had hopes."

There wasn't enough money, but that also did not appear to be an obstacle. The partners had built a golden bridge for the foreign-exchange-short Chinese from concessions and offers of barter transactions. The bundle, put together in such a complex way, provided that half of the 6 billion DM installation would be settled with delivery of metals. Moreover, the Germans wanted to purchase grain, petroleum and bituminous coal as well as 6,000 tons of natural uranium from the Chinese. Plans also called for the politically controversial final storage of 150 tons of spent fuel elements in China.

The fact that this deal did not materialize is connected with the worry of the Chinese about too many debts and political dependence. Beijing wants to consolidate the reform policy of "opening to the outside and revival within," which led to illegal imports of luxury goods, to economic criminality, corruption, and overheated market conditions, by a conservative budget policy.

Thus KWU chairman Frewer returned from Beijing merely with a noncommittal declaration of intention: Both sides want to continue the cooperation in the field of nuclear energy.

The Chinese did not even want to say whether or not the other planned nuclear reactors would be built at all. The question was still being considered, they said.

All interested parties for possible new large-scale nuclear projects are being put off to the next 5-year plan: They could perhaps get an opportunity then. But the plan does not start until the year 1991.

12356
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ECONOMIC ICELAND

'MUCH BETTER' OUTLOOK REPORTED FOR ECONOMY

Stockholm NORDISK KONTAKT in Norwegian No 3, 1986 pp 40-41

[Text] The prospects for the country's economy are now much better than was expected when the government formulated its policy during the preparation of the national budget for 1986 which was based on economic prognoses at the beginning of winter.

The improved prospects in the economy relate primarily to price increases for fishery products on the foreign markets, the likelihood of an increased catch this year and finally an oil price reduction.

Prime Minister Steingrimur Hermannsson (Progress Party) stated that there is now a possibility to reduce inflation considerably, so that it can perhaps be brought down to ten percent by the end of the year. Minister of Finance Porsteinn Palsson (Independence Party) agrees with this assessment even though he will not give a specific figure with regard to inflation. He pointed out that the public finances are in a very difficult situation, particularly because of the considerable deficit last year.

The Prime Minister pointed out among other things that the improved situation on the foreign markets is evidenced by the fact that the price for dried cod has increased by 16 percent, that the prices for frozen fish products in the United States have increased an average of five percent, and that fish prices also increased on Iceland's markets in Europe. He mentioned that these increases provide fish processing with more than a billion kroner anually. Finally, the sinking oil price will benefit the fishing boat owners and also different branches of the fish processing industry. Although it is still unclear how large the oil price reduction will be and how long it will remain so it was still assumed that the national economy will save approximately one billion kroner because of it.

Lower Interests

The Prime Minister also stated that expansion in the capital area has been reduced and that the wage drift has become less. As a consequence, it was predicted that the increase in the cost of living index in February will be much lower than in the past month and will be still less in March. This will mean that the loan terms index is dropping quickly and likewise the nominal interest. This means a reduced repayment burden for business and industry.

The Prime Minister also pointed out that the position of industry was still weak, despite better prospects, something which can be seen, for instance, in the fact that the purchasing power of disposable incomes had increased by six percent last year.

Foreign Credits Out of the Question

During the debate in the Althing (Parliament) Steingrimur Hermannsson stated that the deficit in public finances last year will be covered by a loan which will be paid as such. There was no mention of taking foreign credits to cover the deficit in the public finances nor was there any mention of increasing taxes.

The Prime Minister said that there was great hope that it will be possible to avoid a national deficit this year.

The Prime Minister warned against putting forward irrealistic wage demands during the labor negotiations on the labor market. The opportunities available now must be used to reduce inflation. The government for its part was ready to facilitate the wage negotiations through efforts on its part to this end.

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West Europe Report

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POLITICAL FEDERAL REPUBLIC OF GERMANY

SPD REDUCES CONTACT WITH EAST DURING ELECTION CAMPAIGN

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 17 Mar 86 p 3

[Article by Helmut Loelhoeffel, Bonn: "A Little Distance to the Surviving Partner; Worry About Misinterpretations: The SPD does not want to Attract Attention With its 'Opposition Foreign Policy'"]

[Text] It does not require any clairvoyance to predict what will happen in East Berlin on 21 April 1986. The delegates to the 11th SED Congress will unanimously reelect comrade Erich Honecker general secretary of their Central Committee and speakers will pay tribute to the 40th anniversary of the merger of the KPD and the SED to the Socialist Unity Party of Germany as a "historical event in the struggle for the unity of the working class."

The SPD, too, has prepared itself for this date, though not as a day of rejoicing. After the "anti-Americanism" campaign touched off by CDU General Secretary Heinrich Geissler pathetically fizzled out because of lack of credibility, it had to be expected that another suspicion against the Social Democrats would be rehashed, namely, that they are unable to dissociate themselves from Communists. This Monday when a discussion is initiated in the Erich Ollenhauer House in Bonn on the topic, "40 years later, Social Democrats and Communists," (the speakers will be Willy Brandt and Bruno Kreisky), this is not the calculated reaction to present worries in the preelection campaign but part of the definition of the SPD's position.

The groundwork was laid for the discussion with a series of articles in the periodical NEUE GESELLSCHAFT/FRANKFURTER HEFTE. To start with SPD executive board member Horst Ehmke wrote in an article on ideological and social antagonisms in the Eastern and Western states: detente or coexistence can "by no means end the ideological dispute and the peaceful competition of the social systems." This was followed by a "plea" by Peter Glotz for an offensive SPD foreign policy in the Bundestag election campaign. The federal general secretary worded one of his messages as follows: "The rational rejection of the political system of communism is justifiable and necessary. But exaggeration of this rational rejection to emotionally deeply rooted hostilities leads to inability to attain peace." And finally an analysis of the "forcible merger" of 40 years ago by Egon Bahr, member of the SPD presidium. His conclusion: "Both sides reject ideological coexistence. There is nothing to revise. But even ideological adversaries have become indispensable partners of survival."

This chain of thought is the reason why the SPD seeks and carries on the political conversation with East European communist parties even though common ideological roots of Communists and Social Democrats are a permanent trauma for both. A worldwide observed peak of the SPD East contacts last year was the conclusion of a "general agreement" for a chemical-weapons-free zone in Central Europe. But what the Social Democrats are doing as opposition looks suspicious to many and in Bonn is called "opposition foreign policy."

Whoever invented this word (credible claim to authorship is made by Volker Ruehe, deputy chairman of the CDU/CSU Bundestag parliamentary group), the new term "opposition foreign policy" has become a touchy topic. With his remark "Where there is nothing there is no opposition policy," SPD chairman Willy Brandt has made fun of what Hans-Jochen Vogel, SPD parliamentary group chief in the Bundestag, during the debate on the "State of the Nation" seriously formulated as follows: "We have only become active," he absolved his party to the federal government, "because you remain inactive."

Since the Social Democrats have been in the opposition, they have not permitted their manifold and close contacts with West and East to peter out, but have fashioned a tangle of relations which can be useful to them if they were to achieve governmental power once again. Especially in the eastern part of Europe has the SPD developed the contacts established by itself with a new unconventional type of "opposition diplomacy"--much to the annoyance of CDU and CSU, which have not gotten that far as yet and, moreover, have trouble to push past Foreign Minister Hans-Dietrich Genscher (FDP).

The SPD formed joint working groups with East European communist parties, the Friedrich Ebert Foundation conducted colloquia on security policy, editors of the theoretical journals NEUE GESELLSCHAFT (SPD) and EINHEIT (SED) met, members of the SPD Basic Values Commission already had four discussions alternately at the Scharmuetzelsee and in the Black Forest--with leading GDR social scientists. The "opposition foreign policy" took its course....

But lately a handbrake has been applied. A first hint, initially not taken particularly seriously, was provided by Brandt in an SPD presidium session at the end of February. More as an aside he remarked that the current SPD/SED conferences on a nuclear-free corridor in Europe should not be dragged "into the fall," thus not into the election campaign. Since in the Bonn SPD headquarters, at this time everything that is not immediately clear is attributed to Bodo Hombach, the election campaign manager of the chancellor candidate Johannes Rau, this time, too, the alleged originator was quickly identified. And the assumption of journalists that the SED contacts were to be suspended for reasons of campaign tactics was obvious.

In fact, in the SPD leadership it is well known that Rau is not opposed to East party contacts but to "treaty-like papers" of the kind of the "chemical weapons agreement." Persons traveling with him on his U.S. trip in early February gained the impression that he promotes this example of disarmament policy. Assuming this impression was not deceiving, he may well have changed his view in the meantime. And moreover Rau has internally advised against that SPD and SED functionaries conducting joint press conferences if there are no demonstrable results.

"Unmasking" labeled Theo Weigel, chairman of the CSU Land group in the Bundestag, a FRANKFURTER RUNDSCHAU report of 11 March on the intended interruption of SPD/SED contacts. And his parliamentary group colleague Ruehe scoffed that this action is merely "rearrangements in the display window of SPD policy."

In the journal DDR REPORT Ruehe formulated his "grave worries": The SPD opposition policy takes place "outside the alliance framework" and offers "Eastern governments a welcome gateway for agitation and propaganda in favor of Soviet interests in the security policy." He was contradicted--also in DDR REPORT--by Wilhelm Bruns, director of the department for foreign policy and GDR research with the Friedrich Ebert Foundation. Bruns goes even beyond that by demanding not only "a security policy component in the German-German relations," which Ruehe clearly rejects, but even considers feasible a "common German-German security policy commission"--with the prospect of "joint initiatives."

Those who do not trust the SPD in this field will get new support when it will be confirmed that the "opposition foreign policy maker" Bruns of all people is to be observer at the SED Congress from 17 to 21 April on behalf of the SPD chairman. Bruns, expert for East-West security policy together with Hans Pelger, the director of the Karl Marx House in Trier, in 1983 had participated in an international scientific Karl Marx Conference in East Berlin and even delivered a speech there.

A short time before the SED Congress, on 12 April, Willy Brandt will speak in West Berlin on the occasion of the 40th anniversary of the "forcible merger." He will recall the totalitarian claim to power of the Communists in the spring of 1946 and also of the fact that at that time the Social Democrats in the West consciously did not want organizational unity, at best collaboration. That is not what the SED, which writes its history differently, likes to hear in the East. At the party congress, observer Bruns will make this distance clear and perhaps also feel the effects of some worsening of the atmosphere between the parties of the German Social Democrats and the German Communists.

12356
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POLITICAL FEDERAL REPUBLIC OF GERMANY

ASPEN INSTITUTE: GUEST WORKERS' POLITICAL INVOLVEMENT GROWS

Berlin DER TAGESSPIEGEL in German 16 Mar 86 p 57

[Article by Uwe Schlicht: "What Are Foreigners in Western Europe Turning Into?"]

[Text] Americans are proud of being a country of immigration. The "melting pot of nations" has worked for centuries. Today, however, the United States is finding out more and more that whereas full citizenship, obtained after 5 years' legal residence is the linking factor for many immigrants, in reality whole groups of immigrants live side by side retaining their particular characteristics. In New York, Chinese, Koreans, Columbians, Hispanics, Poles, or Russians develop their dynamics precisely in a multinational side-by-side existence.

FRG Germans do not want to become a country of immigration under any circumstances despite the fact that there are 4.5 million foreigners living in West Germany, of whom 1.6 million can be considered workers. Will the Federal Republic in the long run demand that guest workers fully integrate, renounce their present citizenship, and adopt German citizenship before becoming citizens with all the rights and duties involved? These questions were the focal point of an internationally attended Aspen seminar of politicians, scientists and representatives of minorities about the subject of ethnic minorities in Western Europe.

Equal Rights on the Job

In the FRG foreign workers have achieved fully equal rights only on the job. The Labor Management Act allows them unlimited participation in works council elections. In fact foreign workers after the last works council elections constitute 11 percent of the works councilors nationwide--according to the Metalworkers Union. From participation in political decisions at the local, Land, or Federal level, guest workers are excluded for the time being. Since the question of equal political rights is raised sporadically by German politicians time and again, it is to be expected that this question will be dealt with more intensively in the next 10 years. At least this was the German prognosis at the Aspen seminar.

The Swedes, who as recently as in the fifties had prohibited even any participation in demonstrations and any kind of political activity by foreigners, in 1976 for the first time allowed foreign workers and their family members, provided that they had lived in Sweden a minimum of 3 years, to participate in local and regional elections, but not in elections to the national parliament. In the three elections held since that time with the participation of foreigners, for a start a surprising development occurred: participation by foreigners went down increasingly, dropping from 59 percent to 45 percent in the last elections. According to the Swedes, this decrease in participation is due to frustration among the foreigners, who had pinned excessive expectations on their having been granted the right to vote for an improvement in their situation, and thereafter saw that progress was taking its time. The debate surrounding the participation of foreigners in elections appears to be typical of many deliberations in other countries. At the Aspen seminar. Swedes reported great anxiety before the reform lest the foreigners found their own parties and transport foreign conflicts to Sweden. Of two parties founded by foreigners at the local level, only one has been able to maintain itself, however, and fears of political extremism have not been confirmed. Participation by foreigners in the elections, the Swedes said, furthered their integration, however, because they had to deal with Swedish society and politics to an extent quite different from what it had been. The Swedish parties too had to reorient themselves in searching for election candidates among the ethnic groups and for particular interests of foreigners.

In the meantime Norway and Denmark have followed Sweden's lead, and the Netherlands have just introduced the right of foreigners to vote in communal elections.

The German answer to the questions raised by the Scandinavians varied. The CDU believes that the reason why the granting of the right to vote raises exaggerated expectations on the part of foreigners is that even after the elections foreigners remain in the minority and cannot become a majority. Even just wanting to introduce the right of foreigners to vote in local elections in Germany would mean paying a high price politically and entail enormous efforts among the population. In the CDU's view, the guest-workers problem can be solved only over the long term and step by step, provided that there is no new wave of immigration.

In the view of the Social Democrats, on the other hand, granting guest workers the right to vote in municipal elections would compel German politicians to concern themselves to a great extent with the foreigners' interests. Representatives of the Metalworkers Union have gone so far as to call without reservations for a new political orientation in the Federal Republic and, therefore, have advocated the granting of full political rights to foreigners

Turks Want To Stay

The Turks, who constitute the largest contingent of foreigners, maintain the closest possible ties with their compatriots living in this country, drafting them for military service, and it is well known that the Turks do not want to abandon their citizenship. The expectation that Turkish guest workers after having earned some money in the Federal Republic over a period of several years will return to their homeland is becoming increasingly unrealistic. Most of them have settled here permanently. But they do not want German citizenship. The reason was hinted at by a representative of the Turkish community in Berlin when he said that most Turks living in this country are not educated enough to form a precise idea of what German citizenship would mean. Many of them were afraid they would have to give up their identity as Turks or Muslims. If, however, they were given a chance to experience German citizenship for a time, such fears could be overcome. The suggestion he made was to grant the Turks dual citizenship, German and Turkish, for 3 or 5 years, and only after that to require them to opt for one or the other citizenship for good. The idea of dual citizenship is supported by the Turkish Government, the representative of the Turkish community said. The Turks were hoping thus to obtain equal rights.

Little Naturalization

In the Federal Republic, one needs 10 years' residence before one can apply for naturalization. Since 1981 a large number of Turks have become eligible to do so, but only a few--only 0.1 percent of those eligible--have made application and acquired citizenship. In 1981, 530 Turks received FRG citizenship; in 1982, 568; in 1983, 846; and in 1984, 1,042. These are nationwide figures.

In West European countries such as France and Great Britain, there is no such thing as the right of foreigners to vote in municipal elections, but every year a large number of foreigners are naturalized and as new citizens enjoy all the rights of Frenchmen or Englishmen. In Great Britain foreigners, upon application, receive British citizenship after continuous residence for a period of 5 years. Since 1981, when legislation concerning aliens was tightened, about 50,000 aliens a year have become citizens that way. Citizens of Commonwealth countries, in any case, can have dual citizenship with all the rights involved. They have to register after entering Great Britain and, upon application, obtain British citizenship without losing their original citizenship. Yet, Great Britain has curtailed considerably initial immigration by foreigners over the years--from 18,000 to 6,000 annually.

There are almost 1.7 million aliens in Great Britain. Of these, about 1 million have full rights of political participation, while more than 600,000 do not.

In France there are at present about 4.5 million foreigners without French citizenship. In the past 10 years, however, about 1 million foreigners have been granted French citizenship, and thus full equality of rights, including many foreigners born in France, persons who have married French citizens, or Algerians and Tunisians. One can apply for citizenship only after having legally resided in France for at least 5 years. If one remains an alien, however, one does not have the right to vote, at whatever level.

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BRIEFS

'DEATH VIRUS' RESEARCH FOR U.S.--The Thessaloniki Aristotelion University School of Medicine has, for the past 2 years, been engaged in "death virus" research for the U.S. Army! This study, which began on 3 January 1984 at the microbiology laboratory of the school, was approved by the Ministry of Health and Welfare, was financed by the U.S. Army with $66,067 (about 8.5 million drachmas), and is now under the supervision of Assistant Professor A. Andoniadhis. The official title of the program is: "Crimean Hemorrhagic Fever and Hemorrhagic Fever With Kidney Syndrome in Greece." It was learned that, during this research, close cooperation developed between the laboratory and U.S. officers from the bases. Top secret correspondence also has been exchanged between the laboratory and the Ministry of Health. The virus (arbovirus) under study is fatal and can be used as a bacteriological weapon. [Text] [Athens RIZOSPASTIS in Greek 10 Apr 86 p 1 NC] /9738

CSO: 3521/125

POLITICAL ICELAND

MATHIESEN, HALLGRIMSSON DISCUSS FOREIGN MINISTRY POLICIES

Hallgrimsson Vows Continued Policy

Reykjavik MORGUNBLADID in Icelandic 25 Jan 86 p 2

[Text] "I am certain that the same policy will be followed in foreign affairs as has been followed hitherto and wish my successor the best of luck in his new office," said Geir Hallgrimsson in an interview with MORGUNBLADID at the conclusion of a State Council meeting in Bessastadir yesterday when he resigned from his office as Icelandic Foreign Minister.

"What is uppermost in your mind just now?"

"First and foremost I am thankful for having had the opportunity to serve as Icelandic Foreign Minister, a post through which I have had an influence on foreign affairs for some time. This has involved protection of Iceland's independence and self determination. I have had very capable assistants and I will miss them and the problems that we have had to deal with in recent months. I am, on the other hand, looking forward to my new tasks as chief of the Icelandic Central Bank."

"What were the most noteworthy accomplishments in foreign affairs during the period in which you were Icelandic Foreign Minister?"

"Most noteworthy, I think, were the ratification of the Law of the Sea Treaty by Iceland and the delineation of Icelandic jurisdiction over the Reykjanes Crest and in the Hatton/Rockall Region. Also noteworthy were the establishment of a special Icelandic Office of Defense and a more open discussion of defense and security issues than was the case before. I also think noteworthy the decision to have Iceland take part in the business of the NATO Defense Affairs Committee. Iceland is gaining a better appreciation through its participation in the work of the committee of what we need to do in cooperation with our NATO allies to secure Icelandic security. The construction of the radar bases and the new Keflavik airfield are also noteworthy milestones."

"When planned changes in the government were made public you made clear that you had no plans to drop out of politics. It has now been decided that you will become Chief of the Icelandic Central Bank. Has there been any change in you position?"

"It is clear that I am going to have my hands full as Chief of the Icelandic Central Bank. There are provisions in the regulations governing the Icelandic State Bank which stipulate the rights of the bank chief to give his candid evaluation of economic developments and of policy formulations in this area. It should be assumed that, although I am now taking a post in the Icelandic Central Bank, I make no promises as to whether or not I shall change my views or my post in the future."

Mathiesen Sees Foreign Trade Role

Reykjavik MORGUNBLADID in Icelandic 25 Jan 86 p 2

[Text] "As I take over this post, I would like to avail of the opportunity to thank Geir Hallgrimsson for his important and influential actions in the post of Icelandic Foreign Minister. He has greatly increased Iceland's initiative in foreign affairs and in defense issues," said Matthias A. Mathiesen, Icelandic Foreign Minister, in an interview with MORGUNBLADID after yesterday's meeting of the Icelandic State Council in Bessastadir when he took over the post of foreign minister.

"Will there be changes in foreign policy during your ministry?"

"We will naturally maintain an unchanged policy, the policy of the government in foreign affairs. I would like to take up where Geir Hallgrimsson has left off and to attempt to deal with those issues which the Ministry of Foreign Affairs has been dealing with.

I worked to achieve certain changes in foreign trade matters during the period that I was Icelandic Minister of Trade. I worked, among other things, to achieve the cooperation of all of those involved in foreign trade. This involves the Ministry of Foreign Affairs and its staff very much and likewise Icelandic ambassadors who have accomplished many things in this area. In continuation of these preparations, I will work to promote the actions of the Icelandic Foreign Service in the area of foreign trade while I am Icelandic Foreign Minister," said Matthias A. Mathiesen, foreign minister.

Hallgrimsson Named Bank Chief

Reykjavik MORGUNBLADID in Icelandic 25 Jan 86 p 2

[Announcement: "Geir Hallgrimsson Appointed Central Bank Director"]

[Text] Geir Hallgrimsson has been appointed chief of the Icelandic Central Bank as of 1 September.

David Olafsson, who became seventy this year, has asked to be allowed to retire as bank chief as of 1 September and Icelandic Minister of Trade Matthias Bjarnason has given him permission to retire as of that date. The Icelandic Minister of Trade has like wise, at the suggestion of the Bank Council of the Icelandic Central Bank, appointed Geir Hallgrimsson to the post of bank chief.

Paper on Foreign Minister

Reykjavik MORGUNBLADID in Icelandic 25 Jan 86 p 28

[Editorial: "Government Change of Personnel"]

[Text] It is a given here in Iceland that changes are made in governments after their formations. Such a change took place in October when Geir Hallgrimsson, foreign minister, made the proposal that Thorsteinn Palsson, Hallgrimsson's successor as chairman of the Independence Party, should take a seat in the government and proposed that he himself leave the government at the beginning of 1986. People had long been discussing the fact that it was impossible to leave the chairman of the Independence Party ou t of the government. "I am of the opinion and have been of the opinion," said Geir Hallgrimsson in this connection, "that the chairman of the Independence Party should be in the government and it is conducive for me to bring this about through vacating my seat to make it possible for the chairman to be in the government."

Upon this basis, Thorsteinn Palsson made a proposal on changes in government ministers in terms of the Independence Party. In accordance with the proposal, Matthias A. Mathiesen gave up his position as Icelandic Minister of Trade on 16 October with the un derstanding that he take over the position of foreign minister from Geir Hallgrimsson. Yesterday the proposal was finalized and Geir Hallgrimsson has also been appointed chief of the Icelandic Central Bank as of 1 September, when David Olafsson will retir e due to old age.

Geir Hallgrimsson's actions in foreign affairs since he took over his ministerial post in May of 1983 have been purposeful. He favored organizational changes in the Ministry of Foreign Affairs for the purpose of achieving more active Icelandic participati on in NATO activities. There was more political solidarity on these changes than many expected, something confirmed by how businesslike we went about this sensitive task. Geir Hallgrimsson never shied away from the fundamental principal that security inte rests should form the basis of bilateral defense cooperation with the United States. He stood firmly against the views of those who would make the garrison force into a source of revenue and has not hesitated to make his intentions and his policy actions subject to the evaluation of neutral parties. The outcome of the battle has been to his advantage. In addition, Hallgrimsson has gained trust and respect on account of his actions at conferences and meetings, whether the circumstances have involved meetings of the representatives of east and west or of NATO allies. Hallgrimsson has shown and demonstrated in his actions as Icelandic Foreign MInister that it is important that a representative of the Independence Party, a representative of that political force which has never compromised in its defense of Icelandic interests, sits before them. It was no surprise that things turned out well in this connection for both the Icelandic people and for the Independence Party that there was once again a member of that party in the weighty post of Icelandic Foreign Minister after a thirty year gap. Geir Hallgrimsson has written an important chapter in the history of Icelandic foreign policy since the Spring of 1983.

When Geir Hallgrimsson explained his proposal presented last autumn he made it clear that he was not going to drop out of politics. There is little precedence here in Iceland in the case of ministerial changes during the period of a government service for those persons who give up direct participation in politics to resume a political role later. Elsewhere, in Norway, for example, where ministers cannot be MPs and where MPs must renounce their seats while serving as ministers, it is the custom to draw upon persons outside parliament to be ministers. It emerged from a poll carried out by MORGUNBLADID last year on the views of the public on politicians and announced during the autumn that an overwhelming majority of those answering felt that persons outside the Althing should be called upon to be ministers. These are remarkable results in view of the practices hitherto the case in Iceland and should be a matter of concern for MPs. It is the case in Finland that the Central Bank is considered a stopping place for politicians when they cease direct participation in politics. It is nothing exceptional there for chiefs of the Finnish Central Bank to be called back into political activities, in one way or the other. Where there has been discussion in Iceland in years past on proposals on extra-parliamentary government people have often, in their considerations of a possible heads for such a government, looked to such persons as chiefs of the Central Bank. This is due to the fact that, in the view of some with influence upon public opinion formation, Central Bank officials are not isolated from what is going on. There is not a little to be gained from such institutions using the leadership of those with substantial political experience.

When Geir Hallgrimsson gave up the chairmanship of the Independence Party in 1983 an era of change began within the party. The era has not, however, come to an end with Hallgrimsson's leaving the government. To the contrary, it can certainly be reasoned that a new chapter in the history of the era of party change has begun with the departure of Hallgrimsson from the government. It is clear that reforms are needed within the Independence Party as a parliamentary party. There are many indications that the so called system point of view enjoys more support with the parliamentary party than among those attending the party national convention, not to mention the younger generation participating under the party banner in youth associations.

With the departure of Geir Hallgrimsson one of the main pillars of the government has left his ministry. Thorsteinn Palsson took on a difficult task when he took over the post of Minister of Finance. The large balance deficit of the state treasury in recent years shows that there is need to undertake a reform of financial administration. It is nonetheless easy for the chairman of the Independence Party, of that party which desires low taxes and small state expenditures, to seek to manage the public household now that ends are meeting.

When Matthias A. Mathiesen asked for the Icelandic Ministry of Trade concerns were naturally raised here that he would propose major reforms in the scope of its operations shortly. But the statement was made that the justification was nothing more than than Matthias A. Mathiesen had an interest in the Ministry of trade. His situation in this case was the same as Geir Hallgrimsson since a member of the Independence Party had not held the post of Icelandic Trade Minister since 1956. The new Icelandic Foreign Minister is following in the tracks of Geir Hallgrimsson. This is, however, still more difficult than simply to flow along with the times. There is no end to problems in foreign affairs. At the same time, one must respond to altered external conditions and strengthen Iceland's position, so that there is firm ground under our feet. The policy of the Independence Party and the strength of the party's position in foreign and security affairs indicate a path towards certain goals for any representative of the party occupying the post of foreign minister.

The popularity of the government has dwindled in recent months, if we may believe the public opinion polls. They also show that support for the political parties is stagnant. Such, however, is the comparative position of the parties that the Independence Party is maintaining its position fairly well while the Progressives are at a numerical low point. The Progressive Party has been a part of governments continuously for almost 15 years. The last time that an Icelandic political party, the Social Democratic Party, was this long at a time in power it lost much support in elections. The Progressive party has contributed nothing new at all to government or to the Althing, if we exclude the fisheries system changes. In the coalition it has been the Independence Party which has been the instigator of those things of note.

We make no prophesies here on what effect the changes of personnel will have on the life of the government. One thing is clear. There is now departing from the government that man who has had the broadest political experience among those in the present government. With his departure from it there will now be a gap that cannot be filled.

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POLITICAL ICELAND

PAPER EXAMINES GOVERNMENT'S PROBLEMS AT YEAR'S END

Reykjavik MORGUNBLADID in Icelandic 31 Dec 85 p 22

[Editorial: "Politics as the New Year Begins"]

[Text] If we look at what will happen in Icelandic politics during the new year and attempt to prophesy the future we will have little to say regarding what politicians and the mass media consider the most important: economic projections, budget figures, interest rates, the determination of foreign exchange rates and the accumulation of foreign debt. These are all problems for the short term. They can always be solved. The most important thing is that politicians have been successful in doing what they ha ve tried to do: to lead the people in such a way that comparative peace reigns on the road to common goals.

Political discussions of recent weeks have been characterized by a lot of noise made about matters which the politicians have little to say about after they have come into the hands of the courts or or the police. It is in and of itself hardly surprising that effort is made to use such matters to get in a blow against political opponents. Attacks of this sort are by and large a temporary uproar that ends without final results. This is not achieved until the courts have finished their duties. It often take s quite a while to tie up all the loose threads. There is a difference between the reactions to things that the courts ought to exhibit and hasty decisions of politicians to accuse and condemn in the same breath. Such strokes may be easier but politicians have no more right than anyone else to judge and to justify themselves in terms of law and regulation.

If we look at what is going on behind the scenes of political struggle, and if we make an effort to evaluate the undertones which determine the future more than the uproar of times past, certain interesting facts then emerge. In accordance with decisions taken during the autumn, foreign minister Geir Hallgrimsson will leave the government during the next few weeks. The change will lead to political uncertainty on account of a man who has stood like a rock in the sea for the past decade. What influence wil l his departure have upon a government which is suffering dwindling popularity. The departure of Hallgrimsson from the chairmanship of the Independence Party in 1983 marked the beginning of changes in the party and in political life that are still not complete.

The scramble between the five parties that have taken a position to the left of the Independence party has been along the following lines. The Progressive Party enjoyed the most support of these parties in the spring 1983 Althing elections. As a result of the outcome of these elections the People's Alliance became the strongest opposition party. During the present year the Social Democratic Party has overtaken both of these parties in popularity in public opinion polls. The Progressive party has landed in third place among those parties which have long sought their power in the delusion of uniting under the leadership of the Progressive Party to defeat the Independence Party. The dream of these parties is now nothing more than perhaps to maintain their organs at the expense of the state. The Social Democratic Party is having a hard time overtaking the Independence Party. There is no indication whatever that the government coalition of the Independence and Progressive Parties will break down soon; there need be no Althing elections before 1987.

There has been a change in the Social Democratic Alliance this year both in terms of leadership and in terms of organization. The primary policy of the party is still an end to government by the Althing in Iceland. Though setting this goal as a precondition the Social Democratic Alliance excludes itself from compromise in cooperation with other parties. The Women's List is in many respects far to the left of the other political parties. The idea has been advanced of a leftist government with the participation of the Women's List and the People's Alliance and one other party., Those forming the left arm of the Progressive Party think that such a possibility is promising. The idea should come to the attention of the voters during the next Althing elections.

In the market place of ideas those calling themselves liberals have a much easier time of it. If the problem is one of more or less state intervention, the noticeable tendency of politicians is increasingly to choose freedom rather than state control. As an example of this we might mention two tasks which politicians should be very much involved with during the first weeks of 1986. One involves the need for quicker decisions on the organization of banks but the foreign exchange issue will also be on the agenda. The hour could be near when most will suspect that a majority of the Althing desires to free the banking system and allow the free setting of foreign exchange rates. The fact is that those who would keep things unchanged would seem to have a more difficult time of it in this matter than those demanding change in the direction of economic liberalism.

One of the clearest examples from recent years of the tendency towards liberalism is the decision of a majority of Independence Party members in Reykjavik under the leadership of Mayor David Odsson, to allow supply and demand to determine with regard to the capelin catch. This approach to the matter has enjoyed public trust. During coming months the issue will be who should lead local governments for the next four years. The decision in this area could have more real political influence than much of what is being talked about at present.

MORGUNBLADID wishes it readers and all Icelanders a happy new year, with the hope that the people will be successful in uniting on those issues which will mean prosperity over the long term, and will be able to distinguish the wheat from the chaff in the huff and puff that we hear from time to time.

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POLITICAL ITALY

PCI'S NATTA ON WOMEN, 'PROGRAM GOVERNMENT,' LINKS WITH U.S.

Rome L'UNITA in Italian 24 Feb 86 pp 1-2

[Unsigned article]

[Text] "Still refusing with arrogant stubborness to take note of a state of crisis and going on with the devices that have been previously resorted to in order to gain time, and worse, to get around or nullify the declarations of the chambers betray a serious lack of any sense of responsibility and of democratic correctness." As he concluded yesterday morning in Rome the proceedings of the National Convention of Communist Women on labor subjects, Alessandro Natta severely censured the behavior of a government majority, already dissolved, that persisted in its unwillingness to bear all the consequences of it.

In his speech the secretary of the PCI concentrated on women's problems, indicating in the effort one of the objectives whereby "the entire European left's capacity for renovation is to be measured." Then he took up subjects in connection with the developments in the domestic and foreign political situations. And finally he spoke of the party and the necessity of a "reform" of it "that can no longer be put off."

The Women's Battle

Natta began by saying that if he paid attention to the discussion that developed at the convention it was not "out of a duty to listen or any customary respect. I was interested and involved by the sincerity and the elements of novelty in the analysis and the development of it. It is necessary to do what is possible, and I shall do it so that the ideas and plans of this convention will become an essential part of the congressional discussion and reality and of the PCI's initiative." He then pointed out how the labor question has now become a "major question" in the women's lives. And then he fully imparted what came out on this point at the convention. "Unemployment can be combatted through radical reforms in the economic mechanism to bring about a new growth rate, but also by setting new goals for labor and by determining individual and social needs that are not widely met today." And further, "To be sure meeting the strong demand of female labor means removing the causes of inequality, but it also means determining new relationships between commercial and household work." In short, it is also necessary to think of new ways of socializing household work, because women "do not want their work to become the sole experience of their existence or to mean giving up their affections, sons, social obligations or awareness."

The "neoconservative trend" that has come to the fore in the United States and certain European countries in these years "has not only aggravated the state of those countries' economies and their social inequalities but has also meant severe criticism of the plans, hopes and dreams if you will that so many of the women had fostered." In Italy, "Our power has been making it impossible to form an openly conservative government. It is true that the proportional electoral system also has its drawbacks, particularly the great burden it places upon small parties that can make some unbiased use of the quota of representation obtained." But we must not forget that today "France is going back to the proportional system and the Left is appealing to it in England, nor are we forgetting that in Italy it was proportional representation that enabled us to block a dangerous lapse. "The Italian Pentapartito then has not been the same thing as the openly conservative governments. On the women's question too the struggles of the opposition and the internal concerns of the majority have sent some signals that are also interesting. The Chamber has also accepted, at least in a general way, the communist proposals for women's employment, nor does De Michelis' labor plan ignore the subject." Nevertheless, "No new rules or instruments have been instituted for the labor market." "The value of women's right to work has been questioned, as well as the principle of maternity as a social responsibility and the value of sociality and solidarity as a primary obligation of the state." In the financial law itself "There was even a specific attack on women." "The government is seriously ineffectual in applying the law on abortion and in promoting preventive activity." In this connection, Natta also said that "The entire party's inertia and laxity cannot be overlooked or excused."

Among other subjects in connection with the initiative, he referred to "the cultural and legislative battle against sexual violence" and the "dialogue with the complex and variegated world of feminine believers."

The Political Situation

"None of the ills of our economy has been remedied, nor can any of the great open questions be said to be resolved or on their way to a solution. It is clear that a certain greater stability does not even compare with the pure and simple ability to govern, and it is also clear that the famous Decree of San Valentino has been this majority's only real moment of solidarity and initiative. We do not regret having fought then, nor do we regret having suggested, before the trade union division, the only democratic way, that of restoring the judgment of the people." "This whole struggle has produced a great and important result. It has certainly made the employers and the government more prudent, and it has caused the less backward forces of the coalition especially to reflect. But above all it has caused the socialist comrades, who have been able to test once again the role that is assigned them in this kind of coalition, to reflect to some extent. The role that is allowed them is at best that of functioning as a leftist faction in a moderate formation and certainly not that of impelling any reforming or reformist drive." This resulted in a progressive "aggravation of the contradictions and conflicts in all fields of government activity and exacerbation of the polemics and of the constant guarilla warfare between the main leaders of the coalition and the process of dissolution of the majority. The latest instances of an open break among the five in the Senate, lack of a majority in the Chamber and the ministry's defeat in very important matters loudly attest the fact that the fiduciary relationship between the government and the majority has been broken irreparably and beyond the limit of endurance." "We did not fail to request the attention of the president of the Republic, as we should have, and we are renewing that appeal today. We did not fail to warn the prime minister that it was primarily up to him to react to this humiliating deterioration of the ministry's affairs and of its very dignity and that it was primarily his duty to make the necessary explanation in the proper forms." "The contest and the struggle among the government parties have already entailed quite heavy costs." "Let us give up the proposals of an nth check-up in order to give a few months' time to a debilitated government. Let us do away with the leopardlike fabrications about the reshufflings and managed crises."

The Communist Proposal

"Our proposal, which as we see is no longer ours alone by this time, is to dispense with the traditional method, which is the direct outcome of anticommunist discrimination. And the reasoning is simple: Because it is necessary to form an array against the communists and in any case without the communists, one is put together and then it appears. Of course they swear each time that there is the fullest agreement on the program, but it soon comes out that if the more bitter conflict is not about revenues it is about the RAI /Italian Radio Broadcasting and Television Company/, if it is not about pensions it is about health, if not P2 , it is about the Mafia or terrorism, and if it is not about schools it is about the foreign policy."

"We have not proposed a program government because we are determined to find some formula for going to the government in any way and at any price."

"When we speak of a program we mean important, fundamental choices, such as a foreign policy resolutely dedicated to detente, an economic policy of full employment, a verification of democracy from the standpoint of the right to information, and a firm pledge to safeguard the nation's essential property, sovereignty and independence and the security of the democratic regime, the freedoms and civil coexistence against the attacks of the Mafia and the underground forces. Otherwise, no. Let it be clear. If there is no wish for a reform, we are continuing and shall continue our struggle from the opposition. And from the opposition we shall continue to prove that we have a governmental culture 100 times greater than the government here has ever had and that we have the interests and needs of our people and our nation at heart and know how to act on their behalf with responsibility and determination."

The Struggle for Peace

"Here is the policy of our Theses on the essential point of the struggle for peace, detente and disarmament. It is not enough to indict the star wars initiative or the function of the Reagan administration in Latin America and the entire world. All of that is essential and the Theses do it. But it is just as essential to know how to unite (as we always have at other points in our history) with the democratic and peace-loving forces in the whole world, including those within the United States. That is the only way that we have progressed and won out in the past.

It is a versatile communist woman who came out of the convention on labor subjects that concluded in Rome yesterday with the reports of the labor groups, a woman who has broken with the traditional "emancipationist" culture, deeply influenced by the discussion that has inspired the women's movement in the last 10 years, and who demands more consistency of her party which, essentially, she accuses of saying much and not doing enough or, at least, not enough as yet. Moreover a similar criticism was leveled at UNITA by Lalla Trupia, the national executive of communist women herself, because it has not given enough prominence to the contemporary initiative. An order of the day was approved for this purpose. It is a document taking up very complicated, important and delicate questions, and we are going to publish it in tomorrow's paper along with UNITA's reply.

The "new" woman coming out of the convention is one who imagines a society capable of radically changing its set of values and wishes to make a political proposal of it, a set of values no longer focused on work in the sense of an aspect of production but on the needs of the individual considered in his entirety, in all his aspirations and social and individual relationships. Hence the defense of the social state, the proposal of a general reconsideration of the subject of working time, and the determination based on a victimist view of technological innovation.

But while they do not live on bread alone, the communist women are not giving up their firm denunciation of all instances of black labor, exploitation and discrimination that are reappearing rather oppressively in all parts of the country. A particular appeal, in yesterday's concluding reports, was addressed to the trade union on the ground that it is becoming an unfaithful and unconvinced interpreter and spokesman of the women's accomplishments and their needs and aspirations.

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NIJPELS SEEKS VICE PREMIERSHIP IN NEXT CABINET

Comments by Nijpels

Rotterdam NRC HANDELSBLAD in Dutch 18 Mar 86 pp 1, 3

[Unattributed article: "Nijpels Wants to Be Minister and Vice Premier"]

[Text] The Hague--18 Mar. In hindsight, faction chairman Nijpels is sorry that he remained in the Second Chamber in the fall of 1982 and that he didn't become minister and vice premier in the Lubbers cabinet in his capacity as political leader of the VVD. That mistake will need to be corrected in the second Lubbers cabinet, then his relationship with the premier will also become "easier," he thinks.

As far as Nijpels is concerned, such a cabinet would of course have to be established once again, in part, on the basis of a firm coalition agreement following the May elections for the Chamber. If D'66 wants to, it will be permitted to "crowd in" together with the CDA and the VVD, but the democrats won't be able to count on a change in policy in exchange.

Nijpels, who said this yesterday during a lunch with the society of editors-in-chief, has "realized more and more as the leader of the smallest ruling party that it was really not a good choice in '82 for me not to have occupied a post in the cabinet." The VVD, in contrast to the CDA, is in fact able to make only a few "tete-a-tetes" with the opposition in the Chamber. Direct intervention in the cabinet is equally unlikely as long as the special weekly discussion session with the premier, CDA faction chairman De Vries, and the VVD's ministers sometimes creates three divergent political power blocs and combinations. In such a situation, it is constantly a matter of "breaking your back and making corrections after the fact," according to Nijpels.

The VVD's faction chairman again wants a firm coalition agreement like the current one for the next term of office. In the absence of provisions contained in such an agreement, he fears that the CDA will always be able to turn to the opposition in the Chamber, at the expense of the VVD.

A firm coalition agreement, at one time launched by today's opposition (Turning Point '72), is not a "dictate." It offers clarity to the cabinet, the parliament, and the society, Nijpels said, denying that it would endanger the parliament's control function. The opposition, the trade union movement, and CDA dissidents may object, but for the VVD a firm coalition agreement is also an immediate "vital interest."

He is unafraid of damaging the dualistic relationship between the administration and the Chamber (majority): "this dualism hardly continues to exist."

The VVD's current unfavorable situation in the opinion polls (about 26 of the 36 current seats) Nijpels compares to the loss of 11 seats (out of 28) that his predecessor Wiegel experienced in the polls in '81 two months before the elections (it ended up with 26 in the May '81 elections). Thanks to CDA premier Van Agt, during that period the VVD got "more from the feeding tray" than at present in the Lubbers cabinet. even though this cabinet is conducting "VVD policy for the most part," according to Nijpels. He considers both the CDA and the PVDA to have shifted "to the right" and in the direction of the VVD. PVDA chairman Van den Berg has now also made crime prevention a campaign issue. In the case of the CDA, he named as examples such questions as dissolving the link between wages and benefits, nuclear power, nuclear weapons, and income equalization. The walkout by CDA dissidents, the fact that the CDA and the VVD are competitors in the regional voter contests, and the strong premiership of CDA standard bearer Lubbers were mentioned by Nijpels as other explanatory factors.

The VVD faction chairman warned that the stability of a potential second Lubbers cabinet would not be served by "all too great a change in the balance of power between the CDA and the VVD." It is also true of the VVD that "there has to be something to govern with," he said. At present, the VVD has opted for "optimalizing" the coalition with the CDA, not for "maximalizing our own position," Nijpels said.

Editorial on Role

Rotterdam NRC HANDELSBLAD in Dutch 18 Mar 86 p 9

[Unattributed article: "A Vote and a Half"]

[Text] Actually, the VVD's faction chairman in the Second Chamber, E. Nijpels, should have joined the cabinet as vice premier during the formation of the cabinet in the autumn of '82, as he himself now realizes upon closer reflection. It would have facilitated his functioning as the political leader of his party, he believes. As faction chairman and ("strategically a monist"), his direct influence upon cabient policy during the past few years has appeared to him to be not so much as too slight, but rather as too difficult.

The continual special discussion sessions with the premier, with the colleague and faction leader from the CDA, and with the liberal ministers were partly responsible. In the next cabinet, assuming at least that it will be a second Lubbers cabinet, this will have to change and then the VVD's top man will have to be vice premier. The leaders of the coalition parties will then be functioning on the same level. And as far as Nijpels is concerned, this will be most welcomed after they have again solidified the coalition by means of a firm coalition agreement from the allied factions in the Chamber.

That is certainly one conclusion, now as the end of the game for the current cabinet draws near. In fact, it signifies that Nijpels is dissatisfied, though perhaps not entirely dissatisfied, about the way his political leadership has worked since '82. Furthermore, it means that the explanation for this can certainly be found in part in his relationship with the VVD's ministers.

For Nijpels, apparently, the matter really involves more than just a technical problem of communication with his ministers. This, in turn, means that not every VVD politician has always been sufficiently literal in accepting Nijpels' assertion of autumn '82 that he, and no one else, is the political leader of the VVD. The question is whether this can be changed somewhat in principle by moving from faction chairman to vice premier.

Whoever takes the VVD's faction chairman at his word must come to the conclusion that, during the coming years as well, he views the preservation of a certain dualism between the administration and parliament primarily as a nice assignment for the opposition. Given a firm coalition agreement and given the presence in the cabinet of the political leaders of the coalition parties, this would promise little in the way of a fruitful dualism. Even more so than in the past, "business" would supposedly be taken care of within the confines of the cabinet. The ruling factions in the Second Chamber, who had already put themselves on a short leash because of their coalition agreement, would in fact find their political elbowroom even more restricted than before.

One ought not be blind to a development that has already been tending in this direction for some time now, and that to a certain extent is actually an expression of the growing two-bloc relationship (CDA/VVD on the one side, PVDA on the other) in Dutch politics. It is quite obvious that greater political clarity for the voter does not truly serve to benefit dualism in the Binnenhof under the electoral system currently in force.

Yet another conclusion may be drawn from Nijpels' desire to immediately enliven the VVD's leadership as vice premier. Using his own words, it is, namely, this: "optimalization" of the coalition with the CDA will take precedence, as it were, over the greatest possible independent "maximalization" (in the Second Chamber) of the VVD's electoral interests, and will be accomplished by means of the cabinet's makeup. This is likewise not without interest for the future relationship between the CDA and the VVD, competitors as they are among comparable groups of voters.

The new municipal councils will be elected tomorrow. Of course, it doesn't have to be that way, but these elections are naturally already strongly under the influence, in part, of the Chamber elections set for the coming 21 May. For this reason, they will also give an initial glimpse of what could happen with regional politics immediately after 21 May. That is to say: whether the voter wishes it tomorrow or not, they will usher in the finale for the elections to the Chamber while at the same time indicating the regional position of the parties. In that sense, the voter, and this is a comfort, will tomorrow have something similar to a vote and a half.

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POLITICAL NETHERLANDS

SURINAMESE EXILE GROUP CHANGES LEADER, STRATEGY

Amsterdam DE VOLKSKRANT in Dutch 17 Mar 86 p 3

[Text] Rotterdam--The Council for the Liberation of Suriname will consider violent campaigns against the military government in Suriname, in addition to peaceful activities. The new council chairman, Glenn Tjong Akiet, clearly differs in this position from his predecessor, Henk Chin A Sen, who has always advocated non-violence.

"Within the opposition, you have doves and hawks. Which option do I choose? I am thinking about a two-track strategy, in the hope that it is acceptable to both parties," said Tjong Akiet in his first speech as chairman. With these words he closed the second congress of the liberation council, which was held Saturday in Rotterdam.

Tjong Akiet noted that the peaceful campaigns of the liberation council against the Bouterse government had produced no results. For some time, he hesitated in choosing between violence and non-violence. "If we talk about violence, then we are talking about killing. If we talk about non-violence, are we then talking about no killing? Perhaps there are even more deaths in non-violent opposition. Look at Gandhi's struggle. How many people in India lost their lives in Gandhi's non-violent struggle?"

Tjong Akiet referred to church leaders in South Africa, who say that they support armed struggle by blacks. He then declared emotionally: "And I'm not even a preacher, and I don't want to remain a Gandhi." The new chairman feels that the council with its supporters, "as part of the people of Suriname," has the right to enter into armed resistance to the regime, and he emphasized twice that he is prepared to put his own life on the line.

Tjong Akiet was the number two man in the Surinamese Moederbond labor federation, after Cyrill Daal, who was murdered on 8 December 1982 by the military authorities in Suriname. In 1984, Tjong Akiet, together with a number of Surinamers and American mercenaries, prepared an invasion of Suriname from neighboring French Guiana. The conspiracy was uncovered by French Guianese authorities and the group was expelled.

In addition, Tjong Akiet emphasized that the liberation council will abide by Dutch constitutional law and thus will not undertake any violent campaigns from the Netherlands. However, this does not prevent the council from thinking about violence in the Netherlands and organizing armed resistance from abroad, according to the chairman.

A survey of members of the rejuvenated liberation council in the halls of the congress revealed a profusion of possibilities for armed campaigns from Suriname's neighbors and in Suriname. But as far as it can be determined, there is not one single concrete plan.

The greater part of the Council for the Liberation of Suriname was renewed during the second congress. Chairman Chin A Sen resigned from the council "for personal reasons." The internist had lead the council since its founding in January 1983. He said that he was considering setting up a practice as a house doctor. Chin A Sen emphasized that he will remain active in the opposition. He was named honorary chairman and advisor to the council. Other resignations came from Benny Kohinor and Paul Somohardjo, labor union leader and party leader in exile, respectively. Appointed to replace them were Wilfred Lionarons (an exiled publisher) and John Mahamadmoesman, who was not announced until the end of the congress.

Paul Somohardjo, who at certain times is the talk of the town, announced that he will reestablish his political party. The new party will be the old Javanese Pendawa Lima, which had four seats in the Surinamese parliament before it was banned by Bouterse in 1980. The new party will also be called Pendawa Lima, but the letters SDR will be added to this. They stand for fighters for democracy and justice.

The new party will attempt to play an "integrating role," meaning that it will also be open to Creoles, Chinese and Hindis. And if the party is ever allowed to operate freely in Suriname, it will devote itself to an electoral system of proportional representation, replacing the old mixed form of proportional respesentation and a district system which has intensified racial divisions in Surinamese politics.

In short interviews amidst the activities of the congress, it appears that many participants waver between two opinions concerning what the first liberation council has achieved in 3 years. Most believe that the isolation of the Bouterse government and the sustained suspension of Dutch development assistance can be attributed to the activities of the council. At the same time, many believe that "nothing" or "too little" has been accomplished.

Transmitter

The announcement that Radio Free Suriname had made its first broadcast to Suriname via shortwave during the congress came across as being too late to be of any use. The council has been trying to get this sort of opposition transmitter on the air since the beginning of 1983. Johnny Kamperveen presented the broadcast, in which he told the possible listeners in Suriname: "They burned down ABC, they burned down Radika, but that will not happen to this transmitter." Kamperveen worked at radio station ABC in Paramaribo, which was burned down on 8 December 1982, several hours before the murder of 15 opponents of the military government.

According to an announcement by the ANP in Willemstad, Curacao, the transmitter could be heard loud and clear, even more clearly than the daily evening broadcasts for the Caribbean area by Radio Netherlands World Broadcast. The broadcast lasted approximately 25 minutes. Leaders of the opposition in the Netherlands called for support in Suriname.

The transmitter is the property of a Cuban exile organization (Cuba Independiente y Democratica) in the United States. Representative Hubert Matos, who was present at the congress, refused to say where the transmitter is located. Other congress attendees with that knowledge were silent as well. They would only say that daily broadcasts lasting approximately 20 minutes will be carried out.

12271
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JOINT COMMUNIQUE ISSUED ON N. KOREAN PARTY DELEGATION VISIT

PM081306 Lisbon AVANTI in Portuguese 27 Mar 86 p 5

[PCP-Workers Party of Korea 25 March joint communique: "Strengthening of Ties of Friendship and Solidarity"]

[Text] At the PCP Central Committee's invitation, a Workers Party of Korea [WPK] official delegation led by Central Committee Secretary Hwang Chang-yop and comprising (Rim Sun-pil), international department section chief, (Kim Guang-u), international department deputy section chief, and (Paek Sung-hyon), an official of the same department, visited Portugal 20-25 March.

The WPC delegation held talks with a PCP delegation led by Secretary General Comrade Alvaro Cunhal and also comprising Comrades Sergio Vilarigues, member of the political commission and of the Central Committee secretariat, and Domingos Lopes, a Central Committee candidate member.

The WPK delegation was received at the "Vitoria" party offices by a delegation of the Lisbon Regional Organization Leadership. The WPK delegation visited the Setubal district, where it had talks with various PCP organizations. It was received at Palmela city hall by the mayor. It visited the Wicander's cork enterprise and the "Incredible Almadense" recreational and cultural society.

The delegation also visited the Santarem district. It had a meeting with a delegation of the Santarem Regional Organization Leadership led by Raimundo Cabral, member of the PCP Central Committee Political Commission. It was also received by the mayor of Corunche and visited the "Volta do Vale" collective production unit-cooperative.

A solidarity rally, at which Alvaro Cunhal and Hwang Chang-yop spoke, took place in Almada. In the speech delivered by WPK Central Committee Secretary Hwang Chang-yop, the WPK's solidarity with the PCP's struggle in defense of the April [1974] gains and of the democratic system was expressed. In the speech by PCP Secretary General Alvaro Cunhal, the PCP's solidarity with the WPK's activity in building socialism in the DPRK and with its struggle for Korea's peaceful reunification was expressed. On behalf of the Portuguese Communists, Alvaro Cunhal advocated holding the Olympic Games in North and South Korea.

The WPK delegation's visit to Portugal contributed to the strengthening of the ties of friendship and solidarity existing between the WPK and the CPC on the basis of the principles of Marxism-Leninism and proletarian internationalism.

Lisbon, 25 March 1986

/9738
CSO: 3542/88

POLITICAL PORTUGAL

BRIEFS

PCP DELEGATION IN PRC--A PCP delegation visited the People's Republic of China from 11-20 March and held talks with a Chinese CPC delegation. The PCP delegation comprised Central Committee members Albano Nunes and Rogerio Carvalho. They also met the director of the main Chinese newspaper, THE PEOPLE'S DAILY. [Text] [Lisbon Domestic Service in Portuguese 2000 GMT 24 Mar 86 LD] /9738

'PACIFIST' ANTI-U.S. DOCUMENT--In a rather unusual--not to say contradictory or Machiavellian--manner, a sector of the government press announced this bizarre fact: "Pacifists support Libya." We looked, and found out that the title pertains to two "documents" expressing their opposition to the U.S. reaction against al-Qadhdhafi's blackmail. One of the documents is written by the "pacifists" of the CCPC [expansion unknown], the well-known organization serving Moscow's interests in the West, while the other is signed by those ineffable "pacifists," Rosa Coutinho, Fabiao and Mario Tome. A curious fact should be noted: both "pacifist" lists were also signed by the notorious Valy Mamede, whose moral sensitivity and love for peace never left him time to concern himself with the age-old oppression of the Berber people as practiced by the conqueror installed in North Africa. [Text] [Lisbon O DIABO in Portuguese 1 Apr 86 p 13] /9738

CSO: 3542/87

MILITARY AUSTRIA

SENIOR AIR OFFICER CONDEMNS DRAKEN'S SAFETY, PERFORMANCE

Vienna PROFIL in German 3 Mar 86 pp 23, 27

[Interview with Lt. Col Georg Schmidt conducted by PROFIL staffer Otmar Lahodynsky, date and place not given; "Anyone in favor of the Draken is against the Bundesheer"]

[Text] Georg Schmidt, born in 1949, is a mechanical and industrial engineer and has been Chief of the Aircraft Section of the Defense Engineering Agency since 1980. He has been a military pilot since 1971 with a total of about 3,000 flying hours.

[Question] In your capacity as chief of the Aircraft Section of the Defense Engineering Agency, you would be expected to create the technical specifications for flight operations of the Swedish Draken fighter aircraft. Yet even before the first Draken will land in Austria you will resign from the Bundesheer [Federal Armed Forces]. Why is that?

[Answer] I want to make it as clear as possible that I consider the procurement of these obsolete aircraft an enormous disservice to military aviation, to the Bundesheer and therefore to all of Austria. As long ago as the end of 1984 I announced that I would resign from the service if the Draken were indeed to be purchased.

[Question] You have postponed your resignation by over one year. Does that mean you, as an aviation expert, have found out only now in what poor shape the Swedish bombers really are?

[Answer] People used to tell me that I was much of a pessimist. Even though I had been excluded from decisionmaking bodies because of my critical attitude, I became increasingly aware of the fact that we were heading for a catastrophe.

[Question] Could you explain that?

[Answer] There can be no discussion about the aircraft itself, since it lies outside any sensible frame of reference. If a truck manufacturer were to compete against a 1963 model truck, if he were to buy it for an incredibly large sum of money and in addition had to count on exorbitant operating costs, there would be no sense whatever in even discussing the matter.

[Question] What you are saying is that the Swedish Draken is an obsolete fighter plane--a flying oldtimer.

[Answer] I admire the Swedes for their accomplishments in national defense, especially in the air. They have developed good concepts, but they are at a disadvantage in that for reasons of neutrality policy they have been unable to sell their aircraft in the world market. Because of their limited production, these aircraft failed to undergo full technical development and are incredibly expensive to operate.

[Question] But Defense Minister Frishchenschlager has always maintained that Drakens had been procured at a very reasonable price and that they are fully capable of fulfilling their mission as an aerial police force.

[Answer] Anyone who spends other people's money as if it were his own surely disagrees with this. As far as I am concerned, this is a great political lie. It is common knowledge that the Draken was a very poor solution. The only value of this product was said to provide breathing space until political conditions would permit the procurement of appropriate aircraft. It took particularly poor leadership and insecurity at the top to make this procurement happen. In a highly delicate matter of this type, where so many lobbies are involved, you must listen to more than a single expert who is under enormous pressure. Besides, we have had plenty of experience with Swedish airplanes. Our last combat aircraft was the Saab J 29, which was 7 to 9 years old when we first bought it. Of 30 of those "flying barrels" we lost eleven in crashes within a period of 10 years, despite minimum flying hour performance.

[Question] The 25-year old Drakens, which cost 6.3 billion schillings, will spend more time on the ground than in the air, then?

[Answer] A highly developed air force which is continuously equipped with usable material, would certainly be able to operate such aircraft. But it would not do it, because the flight performance of such aircraft is no longer up to date and costs are prohibitive. Because of their age, aircraft such as these are highly maintenance-intensive and have very poor cost effectiveness. Our ministerial organization in military aviation is so complex that it has only one "advantage:" no one has responsibility for anything any more. Thus an aircraft which might be grounded for several months because of a missing spare part would create unhappiness at squadron level at best.

[Question] Official estimates for Draken operating costs until 1995 are 2.1 billion schillings. Is there a chance that this horror sum would even be exceeded?

[Answer] Despite urgent demands by the military aviation engineers, we have not installed a cost control system. On the other hand no one knows whether or not the planned number of flying hours -- 2,400 annually -- can be achieved. Today many people realize that the 24 Drakens will fly very little.

[Question] Because of their technical deficiencies?

[Answer] Mostly because of the budgetary situation and growing public resistance.

[Question] Frischenschlager's report to the Federal Chancellor last year showed the Draken as having the "highest accident rate" and the "lowest structural service life." Are you afraid that our Drakens are prone to early crashing?

[Answer] Anyone should understand that the risk of accidents in such old aircraft is incomparably higher than for modern ones. Inasmuch as until now a large number of flying accidents have been imputed to pilot error, dramatic improvements have been made in the pilot's work area in new aircraft. In old aircraft it frequently happens that important switches, levers and warning lights are arranged so poorly that they practically invite occasional errors by the pilot.

[Question] In an interview with PROFIL, Defense Minister Frischenschlager stated that Bundesheer pilots should train for supersonic flight in old aircraft. If they were to use third and fourth generation jets for this, he said, they would "drop out of the sky like bumblebees."

[Answer] I am a propeller pilot myself and would merely state that most of our military pilots are well qualified to fly a modern combat aircraft safely.

[Question] The Draken is said to consume 6,000 liters of jet fuel per hour. An Austrian Airlines DC-9 uses about the same amount, except that it transports not just one pilot, but 130 passengers and their baggage.

[Question] The DC 9-81 uses even less. The Draken engine has a specific fuel consumption of 1.8 kg per kilo of thrust per hour. A modern engine has a fuel consumption of only 0.5 kg/kp/h.

[Question] One liter of kerosene presently costs about 10 schillings; thus one flying hour for the Draken costs almost 60,000 schillings. This is for fuel alone. Also, Bundesheer pilots who flew the Draken in Sweden are said to have been frustrated by the fact that the Swedish bomber fails to reach Mach 2, as claimed by the factory.

[Answer] I estimate that the Draken-D reaches at most Mach 1.4 under normal conditions.

[Question] Another criticism by these pilots was the fact that on landing the pilot has not forward visibility. Besides, they say that the Draken requires a 20 km final approach flight corridor below 500 meters altitude.

[Answer] For aerodynamic reasons, any delta-wing aircraft must land at a high angle of attack. That is what impairs visibility. I have heard about the 20 km final approach too, but cannot confirm this.

[Question] Draken advocates swear that the Danes and Finns have bought this aircraft also.

[Answer] There are aircraft manufacturers who have made sales in 30 countries all over the world. After the Danes, the Finns bought 12 Drakens in 1974; 11 of them were shipped as component parts and assambled in Finland. Later on the Finns procured a few more used Drakens, though from a more recent series than the D model intended for us, which was produced between 1963 and 1965.

[Question] Two Bundesheer pilots who are undergoing Draken flying training in Sweden were grounded for psychiatric reasons last month. The official diagnosis: psychological stress and lack of motivation. There is however some suspicion that this would serve to intimidate pilots who severely criticize the Draken.

[Answer] That is a very sad story. I am personally acquainted with Lieutenant Colonel Hass, who is taking the squadron commander course in Sweden, and consider him an excellent pilot, teacher and commander. His proficiency is credited for the fact that there has not been a single fatal accident in the surveillance squadron. He made himself persona non grata by his sometimes rough and direct manner in enforcing flying safety.

[Question] When the decision was made a year ago to buy the Draken, almost all Bundesheer pilots kept quiet. Could it be that they were glad to get any kind of airplanes at all, even obsolete ones?

[Answer] It is a question of military discipline to accept decisions from above. In addition, every pilot loves to fly, and the blackmail of "Draken or nothing" was apparently working.

[Question] Wasn't it primarily a political decision?

[Answer] Many people, inside and outside the Bundesheer, believe that it was. In my opinion, a lot of improper influence was exerted in this matter. Party politicians used pressure, but nobody accepts any kind of responsibility for the consequences of this decision. The reason: in contrast to the way things are done in the private sector, no one accepted any personal risk for this purchase.

[Question] Thus the decision in favor of the Draken was a foregone conclusion. In that case, the Draken's close competition with the "Lightning" and other aircraft until the very end was nothing but pretense?

[Answer] There are many indications to that effect. The specifications were clearly directed to exclude modern, up to date aircraft. There was no technical evaluation whatever of the manufacturers before the request for bids, nor prior to the session of the council of ministers during which the procurement was decided upon.

[Question] In the National Defense Council, all three parties agreed on the Draken purchase. Even OeVP [Austrian People's Party] defense spokesman Ermacora, who had been in favor of U.S. aircraft, offered no objections.

[Answer] Yes, that was a sad day for me and certainly for many other of my pilot friends. Last week I told Professor Ermacora that I expected to run into him at every Draken-caused funeral.

[Question] Aren't you afraid to be denounced as being anti-Bundesheer one of these days? It has been said after all that anyone who is against the Draken is also against the Bundesheer.

[Answer] No, I do not worry about that. The more the public learns about the details and the effects of this disastrous purchase, the more explicit will be the message: anyone who is in favor of the Draken deal is an enemy of the Bundesheer.

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MILITARY FEDERAL REPUBLIC OF GERMANY

PROBLEMS PLAGUE JOINT U.S.-FRG NAVAL ANTI-MISSILE ROCKET

Hamburg DER SPIEGEL in German 17 Mar 86 pp 137-141

[Article: "A German-American Anti-Missile Missile is Turning Into an Expensive Flop"]

[Text] Last week, Minister of Defense Manfred Woerner told his staff what he had decided to do: at the next session of the NATO Nuclear Planning Group on Thursday and Friday in Wuerzburg, he would not say one word concerning German participation in SDI, which has been a bone of contention for several months.

As he has done so many times in the past, Woerner once again failed to consider Caspar Weinberger. The latter wants to talk turkey with the Germans once again, and the members of the German delegation which is currently negotiating in Washington about an SDI agreement, know exactly what that is like. In the words of Head of Delegation Lorenz Schomerus of the Ministry for Economics, reporting last week to his defense department colleagues, the negotiations with the U.S. partners were generally "hard and occasionally brusque in tone".

The Washington hardliners continue to insist on German political support for the "star wars" program and on official defense ministry participation in distributing contracts to German industry.

Despite the most recent entreaty from Chancellor Helmut Kohl to U.S. President Ronald Reagan, the return favor would be on the small side: it does not contain anything other than some general phrases about technology transfer--no insight into the overall program, no detailed agreements about civilian fallout rights; and in general, all details are to remain highly classified.

The way things work when the United States seeks to entice its German friends into cooperative ventures with big promises, vague assurances and strict secrecy rules has once again become painfully clear to the people in Bonn during the past week. Any concessions made in the negotiations have bitter consequences later on in actual practice.

Almost one year ago, in April 1985, Weinberger and Woerner had agreed in Washington to joint development of a missile which would destroy missiles and cruise missiles aimed at ships--Project RAM (Rolling Airframe Missile). DIE WELT hailed the agreement as "a breakthrough to two-way traffic in arms production."

The breakthrough is a long way off. Naval officers are talking about a drama which does not augur well for SDI. At the end of February Manfred Timmermann was forced to admit before the Defense Committee that, while costs are increasing, the "two-way street" is clogged. He refused to reply to questions from members of parliament; he states that he could deal with this "delicate matter" only in writing.

The German Navy has been looking for a means of defending its frigates, destroyers and speedboats against anti-ship missiles since the 1970s. In 1982, the Falklands War injected a note of urgency into this search: the Argentines inflicted heavy damages on the British fleet with the French Exocet missiles.

General Dynamics, one of the biggest U.S. defense manufacturers, proposed a solution. Using the engine of the "Sidewinder" missile and the search head of the "Stinger," they would cheaply and quickly develop an anti-missile missile which would automatically search for and destroy its target. The German share of development costs would be DM 100 million.

By now, Bonn has spent DM 370 million for development costs; the naval staff estimates that another DM 200 million will be required. At the same time the German firms MBB, AEG-Telefunken and Diehl, which had expected a billion-mark contract and which had founded the RAM GmbH in anticipation, came away practically emptyhanded. General Dynamics gave them development contracts worth less than DM 50 million.

Tests in the United States were fairly unsuccessful; there were 18 failures out of 37 launches. In addition, the Americans refuse to turn over to the Germans the know-how necessary for production in the FRG. A representative of a German firm reported to his bosses that the Americans are raising greater obstacles from one week to the next for a technology transfer.

"It is obvious already," says SPD Deputy Horst Jungmann in the Defense Committee, that the first RAM weapon system could not come off the line until 1992: "Until then our ships are practically defenseless against enemy missiles."

Admiral of the Fleet Gerhard Bing, in charge of armament at Navy Headquarters, did not contradict him. The 1986 Bundeswehr Plan, issued just a few months ago, still provided for delivery of the first 300 out of 1770 missiles by 1988. Procurement costs, officially still shown as DM 1.7 billion, have in the meantime climbed to more than DM 2 billion.

Only the minister of defense still looks at the bright side: to him, RAM is a good example of cooperative arms production. He needs RAM so as to get an even more expensive and complex program out of NATO: a European defense system against short and medium-range missiles as a local supplement to SDI.

By contrast, Woerner's military people are quite sober:

"Only crystal clear agreements," says a high-ranking officer on the staff of Chief of Naval Operations Dieter Wellershoff, "are of any use to us. Otherwise the Americans will continue to play us along, as in the past."

The journal WEHRTECHNIK, which has close connections to the defense industry, waxes ironic over the missile disaster. "RAM," says its editorial in the March issue, "is constant and therefore calculable. What was true years ago is still true today: RAM will make its appearance in 3 years."

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MILITARY SWEDEN

NAVY DEVELOPS AMPHIBIOUS BATTALIONS FOR ARCHIPELAGO DEFENSE

Stockholm UNDER SVENSK FLAGG in Swedish No 2, Feb 86 pp 5-7

[Article by Lt Col Bjorn Sandstrom: "Amphibious Battalions for Fire Power and Mobility in Archipelago Defense"]

[Text] The Swedish Navy is now making efforts to improve the fire power, mobility and endurance of its archipelago defense. A part of this improvement is the introduction of the effective new amphibious battalions.

The decision to introduce the amphibious units was already taken in the 1982 defense decision as a result of studies carried out at that time. Since then, this type of unit has been developed in detail, unit objectives and tactics have been established and development and procurement of materiel are under way. The first units will soon become a part of our wartime organization. This will mean a considerable improvement in the mobile component of the archipelago defense.

In recent years the threat picture has markedly changed. The risks of surprise attacks have become increasingly tangible. The introduction of new technology and tactics give the attacker new and improved opportunities for carrying out a coastal invasion. Nowadays we anticipate that the opening moves against our coast may take place along a broad front and at great depth. The purpose is to establish beachheads quickly and unexpectedly and to gain control at a very early stage of ports and airfields, which are also necessary in the future in order for the attacker to be able to develop the operation in the depth of our territory.

The attacker's beachhead defense could acquire such strength even after about a day that it would be very difficult for us to break down the defense. The conclusion is that it is becoming increasingly important to have effective attack units available in the coastal zone even in the introductory phase. The regional defense must be built up through a combination of durable, fixed units and mobile attack units, which can rapidly be deployed against those sections of the attacker which manage to land from the sea or by parachute.

Close-up of the RBS 17-Hellfire coastal defense guided missile. The missile has attracted international attention.

Our archipelagoes present excellent defensive conditions only on the assumption that we defend them. The fixed barrage units have been tailor-made for the defense of vital archipelago and coastal areas. The units represent fire power and endurance. However, we cannot afford to establish a fixed regional defense everywhere, and even in areas where we have such a defense it must be supplemented with mobile, effective units adapted to the archipelago environment.

Amphibious Units Tailor-Made for Archipelago Combat

Army field units and local defense units cannot be utilized for an attack in the archipelago without very extensive preparations and only after the addition of command, support and transport capacity. These units have not been adapted for archipelago combat. But the amphibious battalions have.

Thus, the amphibious battalion is a unit specially developed for mobile archipelago combat. The principal task of the battalion is attack on an enemy who is penetrating the archipelago and/or landing by sea/air in archipelago terrain. The attack mission dictates to a high degree the demands for fire power and mobility. The battalion therefore includes commando companies, among others, with grenade launching companies for support. The means of transportation consist of fast combat ships for tactical transportation of the combat elements of the battalion.

The amphibious battalion is able to carry out repelling or delaying actions independently or together with locally based archipelago units. This poses special demands for modern naval target combat systems. This is why the battalions include amphibious companies equipped with both light coastal defense missiles as well as mobile naval mines. In a short time exclusion and delaying zones can be established with continuous firing systems in vital channels. The demand for tactical mobility is great. Regrouping can take place rapidly and during ongoing battle.

Sections of the amphibious battalion must also be able to infiltrate an archipelago terrain dominated by the enemy. In-depth attacks must be carried out on the enemy's formation. Special demands are imposed on operations in the dark. Frogmen are part of the battalion, as are artillery units in order to be able to deploy and direct artillery and missile fire.

With the amphibious units the coastal defense receives a significant increase in power with synergistic power for the locally based defense. The amphibious units have been optimized according to the threat picture we envision.

Protection Against Submarines and Saboteurs

The amphibious battalions also have a few other duties which have become increasingly important in recent times, which is why I want to dicuss them individually. These are antisubmarine protection and protection against sabotage units. Foreign underwater activity against our country continues at about the same rate as before. This is evident from the most recent quarterly report of the supreme commander. Simultaneously, we have become more and more conscious of the fact that underwater activity to a large extent is tied to sabotage units (diversionary units).

Lt Col Claes Sollbe points out this situation in an article in TIDSKRIFT FOR KUSTARTILLERIET no 4/85. Sollbe reports that the Soviet Baltic Fleet possesses naval sabotage units (diversionary brigade) which among other things include frogmen battalions and minisub units. In a crisis situation the sabotage brigade could potentially be given the mission of secretly penetrating our protective and base regions, destroying surface attack units, submarines, command and communications systems, coast artillery units, total defense installations and of neutralizing certain key personnel. This is a very serious threat and it is not totally improbable that the underwater activity which is directed toward us today is in preparation for such an operation.

For that reason the amphibious units have been given important tasks in antisubmarine warfare and in protection against sabotage units. The amphibious units will be equipped and trained for this task. Even in peacetime the basic training units can maintain high antisubmarine alertness and together with the fixed antisubmarine defenses in our channels establish effective surveillance of inner waters. This is of importance from a military as well as a security policy aspect. We must be able to assert our territorial integrity in order to be credible. The protection of inner waters also poses particularly tough demands on us with respect to international law.

The antisabotage duty is partly connected with the antisubmarine protection of inner waters. With the new training system which the Navy is now planning to implement, basic training is prolonged so that thorough mobilization coverage can take place during the year with the age group units. This extended training period allows the units to be given antisubmarine and antisabotage training at an early stage without other military duties suffering.

Missiles and Fast Combat Vessels

The amphibious battalions receive a great deal of new materiel. On the command side may be mentioned the new STRIKA fire control system, modern radio stations and various types of sensors. On the weapons side there will be procurement of everything from new small fire arms and grenade launchers to coastal defense missiles and naval mines. It would be too extensive to describe in this article the new materiel even in quite broad terms. I will therefore limit myself to the discussion of a few important materiel objects, which will have to illustrate what is going on.

As was mentioned before, the amphibious units will be equipped with a new light shore defense guided missile system. Several different solutions were studied before the decision for development and prototype acquisition.

The studies reported that the most cost-effective solution was to further develop the U. S. Hellfire antitank missile into a coastal defense missile. This coastal defense guided missile system, which is now called the RBS 17, has already attracted a great deal of international attention. There is no doubt that the RBS 17 will mean something of a revolution in the field of light naval target missiles. Its fire power is many times that of today's systems. In comparison with the present light coastal defense missiles (RB 52), there will be a definite improvement in range, power, precision, vulnerability, handling etc. There will be significant improvements in virtually all areas.

The missile is difficult to knock out or jam. It can be launched from protected launch sites behind islands in order to make enemy counteractivity more difficult. It can also be fired from a gun mount on the combat ships. The mobility of the missile unit is good and allows for tactically correct behavior even in rapid situations.

The amphibious units are being given a large number of new boats. In addition to pure transport vessels they are given combat ships, both large and small. These will gradually replace the present 200-class boats (TpbS), among others.

As is evident from the name, the combat boats are a kind of "combat vehicle" acquired primarily for tactical transports and support for example during violent landing. This means demands for high dash speeds (about 30 knots), good armament and anti-fragmentation protection. Prototypes are being developed. Throughout the year practical tests will be undertaken in order to provide a basis for decisions regarding serial acquisition.

The new fleet of ships will provide the amphibious units with both tactical and operational mobility. Since the number of amphibious battalions will be limited, after all, the units must be able to move between and within the coastal military districts, so that the force of our resources can be concentrated to threatened coastal areas.

Amphibious Units--a Part of the Naval Defense in Depth

Naval defense in depth is built upon a large number of naval systems which together can act against the attacker during the totality of the phases of a coastal invasion. A concentration of strength must take place in the coastal zone, however. It is during the landing phase that the attacker is most vulnerable. The amphibious battalions will form important components in our coastal and archipelago defense. The units have been designed in order to respond to the threat picture of tomorrow. The collected experience has been utilized in order to create a cost-effective type of unit. The amphibious battalions are further based on the ideas which were the starting point for both mobile barrage units and coastal commando units. The new amphibious units translate these ideas into practical action in tomorrow's threat environment.

11949
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STOLTENBERG'S SHIPBUILDING SUBSIDIES CRITICIZED

Hamburg DIE ZEIT in German 21 Feb 86 pp 17-18

[Article by Heinz Bluethmann: "Teeth-Chattering on the Coast"]

[Text] Gerhard Stoltenberg, otherwise the completely frugal head of the household, is an atypical Finance Minister at least in one respect: if cries for help from the coast reach the "bright one from the North," then he is quickly ready to reach into the State's little money bag--and very quickly at that.

Once it was the Schleswig-Holstein Farmers Association that quickly convinced Stoltenberg, the ex-Minister President of the northernmost Federal Land, in 1984 that the farmers deserved still more public funds. Now the economics ministers of the four coastal Lands have sent emergency signals to Bonn, since they want to slip new tax monies to the needy shipyards: only a few days after that, the Federal Finance Minister declared himself in agreement in principle with further subsidies in the millions.

Schleswig-Holstein will profit the most from this, since with 13,000 employees more people work in the shipbuilding industry there than in the other three Federal Lands. It was also Schleswig-Holstein that set off the latest round of competition for subsidies among Lands and States: in order to avoid the threat of failure of the Harmstorf Group, the largest civilian shipbuilding enterprise among the Elbe, the North Sea, and the Baltic Sea, Minister President Uwe Barschel and his economics minister, Manfred Biermann, released 31 million Marks of Land funds on a special basis and made ready another 70 million marks for other aspirants to bankruptcy.

By so doing Barschel and Biermann openly and freely contravened the solemn agreement of the Lands not to start individual action in getting subsidies for "their" shipyards but only to decide on mutual help. The quarrel, actually predicted for this reason, among the four coastal economics ministers at their latest meeting in Bremen practically did not materialize, however. Indeed, Birgit Breuel of Hannover took advantage of the favorable opportunity to have herself quoted once more as a "declared opponent of State subsidies," but she was basically happy that nothing similar had happened to her--such a short time before the Land parliamentary elections.

Her Kiel colleague Biermann and his boss Barschel also found the decision for new subsidies easier--because of imminent municipal elections. Among politicians that's understood as follows: "We must have patience with Schleswig-Holstein," sympathized Bremen's economics senator, Werner Lenz.

To the question whether he had been forced into the support for Harmstorf, Barschel answered quite dutifully: "The Land government was free to develop its wishes." But then he also said: "However, we stood before the unpleasant alternative: bankruptcy or State support." This confession from a Minister President is frightening when all of 3,200 jobs are in question. Namely, the nearly broken-down Harmstorf Group doesn't have any more than that, and it will have to reduce its work force significantly in the future--at least 330 employees will have to go in any case, even with Barschel's State message.

The Barschel action, the effects of which are spreading, will be still more incomprehensible due to the fact that the 2,900 jobs at Harmstorf, which could be saved under the best of conditions, are not concentrated in one municipality at all: 1,200 people are now working at the Flensburg Shipyard, 800 at Schlichting in Luebeck and 450 at the Buesum Shipyard. Has the threshold of alarm over jobs already dropped so low?

The injection of State funds, according to Barschel, "should make it possible for the Group to adapt to the changing situation in ship travel and shipbuilding." The Group could do that best, of course, if it closed its shipyards without compensation. Barschel and Federal Finance Minister Stoltenberg are blocking--precisely contrary to their loud proclamations--the measure that is actually necessary: fewer shipyards are needed, not more subsidies.

In reality all the Land sovereigns are simply saying the following: if cutbacks have to be made then, please, in the other federal Lands. Thus they helped their own footsore shipyards wherever they could--everybody talks a lot about a common shipbuilding policy, but everybody acts according to his own Land.

What's bad about this is that even blatant entrepreneurial failures are so graciously covered up. The willful company chairman Alnwick Harmstorf, for example, has often made unfortunate decisions on personnel. The managerial merry-go-round that Harmstorf set in motion aggravated the firm's problems.

To keep unprofitable facilities in operation with State support, with no solid prospects of again reaching the safe shore within at least a couple of years, cannot be a sensible course out of the shipbuilding crisis, which has now existed for 10 years. "We definitely face a further cutback in capacity in the shipyards," the Bremen Economics Senator, Werner Lenz, has declared nevertheless.

His estimate is that the Germans will fall still further behind in international competition. Lenz calculates that a world market share of 3 percent will fall to only a good 2 percent and that at least one-fourth of capacities will be surplus. To express this in jobs: of today's 40,000, 10,000 are threatened.

The misery is evident worldwide: since too many ships of almost all types exist, shipping lines are ordering fewer new ships to be built, and unutilized shipyards are fighting harder and harder for every contract. Prices are falling: by 15 percent last year alone; the sector expects a further slide of 10 percent in 1986.

The works committee for ocean-going shipping of the largest German shipping line, Hapag-Lloyd, estimates surplus tonnage in container ships alone at 35 to 40 percent. It's no wonder that order books in shipyards are remaining empty. Scarcely one shipyard has work beyond 1986. Last year German industry delivered ships with a total gross register tonnage of only 500,000; 10 years earlier it was five times as much.

But the slump is not yet at an end. For even this sad result for deliveries distracts from the real situation: a good two-thirds of newly built ships are no longer being ordered today by "normal" shipping lines, but by writeoff firms that are attracting wealthy citizens from all walks of life with tax advantages. The most important point is that shipbuilding is heavily in the red with all these writeoff firms.

In a desperate effort to win new contracts, shipbuilders must supply and guarantee everything--this is the norm today--that used to be the shipping line's concern: thus the shipyard managers have to land a charter contract that will later assure profitable operations in building a new ship; they have to arrange financing with outside funds through their company banks; and finally they even have to provide a guarantee that the writeoff firm will receive enough equity capital from tax-saving dentists and lawyers.

The shipyard customer is more than a king today. How the position of the shipbuilder has weakened in comparison with the way it used to be is described by a manager as follows: "The shipper only has to snap his finger and can otherwise doze peacefully behind the stove--German shipyards assume all his risk and all his work, just to book an order for building a new ship."

Today the shipper does not even necessarily have to bring his own money along when he wants a new ship. Shipbuilders, scrambling for new orders, can be of service here too. Together with the managers of the writeoff firm--often enough subsidiaries of shipbuilding enterprises--they offer financing that provides the shipping line with its own funds practically out of nowhere: fees and commissions for supposed services by the shipping line, which are included in overall building costs, frequently amount "by coincidence" to the level of equity of the shipping line.

Imagination in opening up sources of funds for financially weak shipping lines scarcely knows any bounds. In complete distortion of actual services performed, agency commissions for the building contract, the charter contract, arrangement for outside financing, silent participation, and intermediate financing are bestowed upon the shipping line in some ship ownership plans. The latest absurdity is that shipping lines allow themselves to be paid commissions where the shipyard assumes the risk of selling the ship and guarantees that tax-saving limited partners will have sufficient ownership shares in the ship.

Improper business practices are spreading quickly: along with favors, shipping lines have also been prepared to accept shamelessly inflated building costs. A 25 to 30 percent markup over that which conservative shipping lines find acceptable is already the norm today. This is not justified with actual additional costs that seldom exceed 15 percent, when a writeoff firm is involved.

The paradox is that this has appeared to disturb no one up to now, even banks that have been financing a good 60 percent of the cost of the ship. However, since far too many ships are looking for cargo on the world's seas, overpriced "dentist" ships are the first to operate in the red--and are also usually the first to come under the hammer. Since the banks have more often been losing money this way lately, they have become more cautious.

However, the caution of the credit institutions has come rather late; some on the coast say--too late. For almost all shipyards are hanging in a net of guarantees and sureties from which they seldom emerge unscathed. Selling guarantees for investments by limited partners are becoming the most expensive: writeoff firms had a claim of 570 million Marks last year, but they received only 350 million; the difference of 220 million has now fallen on the shipyards. The resulting newly built ships have been delivered and have long since put to sea. They're just not paid for.

Therefore, the shipbuilders have an ownership share in their ships equal to the limited partner shares remaining open, but these shares--as the shipbuilders themselves know best--are often overpriced and quickly begin to lose money because of this. In this way many shipyards have already taken on a whole fleet against their will, such as Germany's largest shipbuilder, Howaldtswerke-Deutsche Werft (HDW) in Kiel, which now owns shares in three dozen freighters.

The shipyards will probably have to keep still more of their ships if they want to continue production. For the investor intent on saving taxes--so far the key figure in a largely unstable but available demand--is losing interest. The reason: since the beginning of the year there has been a deduction for losses on new shipbuilding of only 150 percent; it was over 200 percent before, and even 300 percent in some cases. The new upper limit now means that the tax-saver must also assume a risk; he was completely free of it before, since he got his investment back in full from the revenue office.

If the "gold tooth" ships disappear, which have accounted for 60 to 70 percent of the demand for new ships in German shipyards up to now, then the howling and teeth-chattering on the coast will really break lose.

Only the enterprises that saved themselves in a timely manner with the building of warships can look ahead relatively calmly to the future. The State-owned HDW Shipyard is among them, as well as Blohm & Voss in Hamburg and the Thyssen North Sea Shipyard in Emden, to name just the largest. About as much profit will be made with submarines and frigates as losses with commercial vessels.

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NATIONAL ECONOMY VIEWED AS 'TERMINALLY ILL'

Athens MESIMVRINI in Greek 12 Mar 86 p 6

[Article by K. Kolmer]

[Excerpts] The Papandreou government appears strong and incontestable today. Its future, however, is highly uncertain....

Despite the government's implementation of a foreign and economic policy which is contrary to the proclamations and hopes and convictions of its very numerous adherents, the absence of a credible alternative solution to the country's lingering and worsening problems allows Papandreou to maintain his political initiatives domestically.

There is no doubt that, just as we have a problem with the government's credibility, there is a similar problem for the opposition. And since democracy is like tennis--it requires that both adversaries be "good" for a quality game--it is certain that our political life is on a continuous downgrade.

The same is true for the economy.

The Economy Suffers From AIDS

The Greek economy is showing symptoms of "acquired immune deficiency," known as AIDS. This is because, despite the repressive measures taken, the economy is not responding--rather, it is worsening. According to provisional data after December 1985--in which the value of imports reached 10.5 billion dollars on an annual basis--the past January again presented an increase in expenditures for imports, while the trend for exports was slack. And February was no better from the standpoint of the balance because of high annuities. In the last quarter of 1985, moreover, when supposedly the 11 October 1985 devaluation should have been operating, imports increased 13.2 percent, versus 9.6 percent in the corresponding quarter of 1984. Likewise, the surplus of invisible resources decreased 9.2 percent, versus 3.3 percent previously. Which means the balance is not responding to the measures. It is suffering from AIDS.

At the same time, inflation in the past five months since the devaluation has been "running" at an annual rate of 30 percent, while it is now certain that, this year, the Gross National Product, which is the total of goods and services produced, will be, at real prices--that is, non-inflated--decreased by two percentage units (the EEC says minus three percent), following on the meager increase of approximately one percent in 1985

Investments of fixed capital will decline again, at constant prices, by approximately two percent--following on the negligible rise of 1.5 percent they had in 1985. And the wild tax-hunt D. Tsovolas is preparing to launch will put to flight the remaining disposable venture capital in the country.

As a result, the relation of investments to the GNP will fall even further--below 15 percent, at current prices--and consumption will increase, mainly in the public sector and the non-compliant para-economy.

Three of the economic choices taken by the government will be the main factors leading to these unfavorable developments. They are:

1. Maintaining the public sector's deficit at the unacceptably high level of 850 billion drachmas, or 15 to 16 percent of the GNP.

2. Extending local credits at a rate of more than 30 percent, versus last year's already high rate of 25 percent, but with a basic motive this time not of increasing deposits (which decreased in February in gross volume) but expanding the monetary circulation. Included in this will be the use of 40 to 80 percent "margins" on imports.

3. The insufficiently elastic exchange policy which will allow a real devaluation in 1986 of no more than 15 percent, versus 22 percent in 1985 and 24 percent in 1984.

Developments in the Balance

Under these conditions, the deficit in the balance on current accounts--which is the critical magnitude in the Greek economy--will show a very small control. And so, together with the large commitments for paying off amortizations--about one billion dollars this year--and with a further drop in the independent influx of capital, the fiscal deficit in foreign exchanges will again reach approximately 2 billion dollars, versus 2.3 billion in 1985.

More specifically, despite the falling prices of oil and resulting savings of 500 million dollars, the development of the balance of payments is expected to take the following form this year, in million dollars:

	1986	1985
Imports	9,300	10,541
Exports	4,000	4,290
Trade Balance	-5,300	-6,251

We calculate the decrease in imports at around 800 million dollars because of the two-percent drop in income in 1986. But for exports, a decrease of approximately seven percent will be noted because of the continuing decline in the competitiveness of Greek industry in recent years. It is also necessary to point out that the exchange policy being followed, which raises the price of the drachma versus the dollar, does not favor an increase in exports, which are occurring mainly in dollars.

In the sector of invisible transactions, we foresee a further drop in receipts because of the recent disparaging of tourism in the Mediterranean, the worsening shipping crisis, and the perceptible increase in invisible payments due to payment of large amounts for interests on earlier loans. (In the past year, 1985, alone, the new long-term loans reached 2.5 billion dollars and the short-term, 3.5 billion.) The expected development will be approximately the following:

	1986	1985	
Tourism	1,400	1,428	
Shipping	900	1,077	
Emigration	600	781	
Remaining (EEC, etc.)	1,900	1,974	
Invisible Resources	+4,800	+5,228	[as published]

However, with an increase in invisible payments, mainly because of interests--to 2,200 million dollars (of which interests are 1,579)--the deficit on current accounts will be restricted to only 2.7 billion dollars, versus the 1.7 billion forecast by the government.

But under such conditions this deficit is more or less insurpassable. Here is why:

With a deficit of 2,700 million dollars, as we foresee based on previous assumptions, added to an amount of approximately 1,000 million dollars--the same as the amortizations for 1985--the foreign exchange balance will leave a fiscal gap of 3.7 billion dollars, a gap which is not covered easily.

Because, even if it were calculated that the independent influx of capital will reach 1,500 million dollars--in which we include the first portion of the EEC loan, 800 million dollars--again the fiscal gap to be financed falls no lower than 2.2 billion dollars, an amount exceptionally difficult to find on the international market, given that it entails a further addition of net borrowing worth 1.2 billion dollars to the present levels of approximately 26 billion dollars. The Bank of Greece is already preparing to go out to the Euromarket of dollars for a jumbo loan of 450 million dollars this month.

We do not believe the international banks will finance this fiscal gap if beforehand:

1. Certain points of improvement in the balance of payments and inflation do not appear.

2. The Papandreou government's "foreign" pending issues are not settled.

3. The government does not accept more undesirable lending terms.

At any rate, at the end of 1986 to beginning of 1987, the exchange problem will become insurpassable--annuities alone will reach 2.8 billion dollars--and the foreign debt will have to be rearranged, with a call to the International Monetary Fund. When the lies will end. As will socialism.

[Editor's Note: The opinions expressed in this column are independent and not binding on MESIMVRINI nor do they necessarily express its political line.]

9247
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REASONS FOR 'PROBLEM' ENTERPRISES FAILURE DIAGNOSED

Athens EPIKENDRA in Greek Nov-Dec 85 pp 58-61

/Article by "A University Man"/

/Text/ I. Diagnosis of the Problem

The existence of problem enterprises is inherent in the functioning of a free economy system where failure constitutes a possibility in the undertaking of business ventures. Failure constitutes an unavoidable consequence of the nature of business activity and the imperfection of man's capabilities in having exact foresight and making correct evaluations. The possibility of failure, is, moreover, the thing that substantially justifies the existence of financial profit and renders business failure an uninsured danger. It is nothing unusual, therefore, to find failures in industry. Throughout the world, in all eras, there have been business failures that have not caused upheavals in the economy nor upset society greatly. Their effects, regardless of what they are, are usually absorbed easily or with difficulty by the economic system. An exception to this are the mass phenomena of failures that are always attributed to outside factors for the isolated enterprise. The consequences of the isolated occurences of failures usually fall on the shoulders of those responsible for the failure without society's sharing in this in any way whatsoever.

The recent phenomenon of business failures in Greece is a mass phenomenon. It is not limited to isolated enterprises or sectors. Nor is it limited to the 38 enterprises that have come under the OAE /Organization for the Rehabilitation of Enterprises/ and to another 120 that, as is being said, beg to be officially recognized as problem firms and request that they be brought under the OAE. It extends to the entire industry sector regardless of the fact that for various reasons they have not yet come to the point of being incapable of making their payments. The increased degree of sluggishness in industry or the trend toward flight from industry (that is also the basic characteristic of de-industrialization) accurately describes the distressing mass experience of the industrial world and the pessimistic prospects that are based on them.

The comparison of a relatively small number of long-range statistical data that relate to operating costs and industrial results can be sufficiently enlightening. In 1964, those industries that showed profits represented 72 percent of the total (joint stock company and limited liability company statistics whose balance sheets were brought together by SEV /Association of Greek Industrialists/), while losses as a percentage of the profits were 24 percent. In other words, the overall size of the profits was about four times the overall size of the losses. In 1973, the corresponding percentages were 78.4 percent and 7.8 percent. This was the period of Greek industrial development, the period when industrial capital increased by 150 percent and industrial exports rose from 7.2 percent of overall exports to 42.7 percent. In the past decade, industrial capital increased by only 57 percent and is already showing signs of premature old age. Net industrial investments as a percentage of consolidated industrial capital dropped from 9-10 percent at the beginning of the decade to the present 2.5 percent. If, on the other hand, one were to take into consideration technological and economic depreciation that is not reflected in the figures, then there most probably is a decrease in the active industrial productive force.

The world crisis has constantly been described as being responsible for the collapsing industry, or else erroneous industrial policy or the lack of business people with proper understanding and social responsibility.

II. Causes of the Crisis

Neo-Marxist theory on the problem places responsibility on the drop in dynamism in industry on the shift of accumulated capital toward light industry and construction materiel because, it says, this worsens the relative position of the country in the international distribution of labor. This relates to an ideological position that projects the socialist ideal of heavy industry and self-sufficiency. Nevertheless, criteria tied to a type of product cannot constitute a basis for evaluation. The only proper criterion for evaluating the course of an investment by industry sector is its long-term viability in an international competitive environment.

For an insignificant economy, percentage-wise in relation to the size of international business, such as the Greek economy, the above suggestion has increased validity. It is not the makeup of investments that is necessarily responsible for the declining performance of industry. At fault are those factors that brought about a decrease in the rate of industrial investments as a whole. What has been deceitfully described as renunciation of investments is neither satiety nor renunciation of investments nor the lack of sufficient business talent, nor financial restrictions that are said to be responsible for the low rate of investments and the drop in competitiveness of Greek industrial production. Nor, of course, is it right that the international economic situation be made responsible to such a great extent as has often been the case. We do not maintain that the above factors have not played some negative role. Something like that would be frivolous. What we do believe, and we find sufficient support in quantitative data, is that the gradual weakening of Greek industry's dynamism is due primarily to the prevailing economic policy. At the very same moment when government policy and the position of the political world had reached a point in labor unruliness and in creating an unfavorable business climate, monetary wages were increasing at a rate much more rapid than the increase in the cost of living together with productivity which, in association with price controls, led to a shrinkage of the already low profit margins enjoyed by industry.

The dramatic increase of the share of wages to added value in industry eloquently expresses "the source of the evil." The share of wages in industrial added value increased by 33.6 percent in 1970 and 31.7 percent in 1973, rising to about 52 percent in 1983. This rise is not due either to a change in technology nor to a decrease in profits brought about by the crisis. Statistical data do not support anything like this. To the contrary, it appears that the real recompense for labor increased at a much faster rate in comparison with an increase in production. Between 1963 and 1973, the increase in the real hourly wage was 80 percent, while the increase in the gross domestic product was 106.8 percent. If one were also to take into account the increase in employment it follows that in real terms the hourly wage increased about as much as productivity. On the other hand, during the second decade, namely 1973-1983, the real hourly wage increased by 71 percent compared to only 26.8 percent of the gross domestic product. In other words, the real hourly wage increased at a percentage rate 2.7 times faster than the corresponding rate of the domestic product.

These indications do not leave any doubt as to the causes of the crisis in industry. The balooning of costs without any corresponding adjustment of prices of industrial goods, either because of competitive conditions or because of management interventions, resulted in an initial shrinking and subsequent disappearance of industrial profits that were already very small.

In 1982, industry as a whole suffered losses for the first time but a large number of firms suffered very heavy losses. Specifically, losses for the overall 3,176 joint stock companies and limited liability companies amounted to 15 billion drachmas (42 billion in losses and 28 billion in profits). This corresponds to a return of -4.7 percent on the same capital. The situation in 1983 and 1984 was similar or even worse. It is, moreover, worthwhile to follow the course of returns on the same capital during the period 1964-1984. In 1964, returns represented 8 percent and they continually increased until 1973 when they reached 19 percent. From 1974 they began to drop, while real wages increased. In 1978, they amounted to 3.8 percent and they fluctuated at these low levels (5-7 percent) until 1982 at which time they dropped to below zero. Of course, the true percentages are much smaller because, due to the insufficient readjustment of the consolidated capital in inflationary situations, the same capital that is recorded in balance sheets is much smaller than the real.

The preceding brief analysis reveals that (1) the question of problem enterprises is in essence a consequence of wage policy that was followed over the past decade, in conjunction with labor unruliness. In other words, it is a result of general factors not having to do with business itself. (2) The issue is not limited to the small number of firms that have been named problem firms but to almost the entire industry that is threatened with extinction.

Since 1975, 35-40 percent of the joint stock and limited liability companies were prone to losses, while in 1982 the percentage rose to 45 percent, compared to 28 percent in 1964. Therefore, the phenomenon of mass over-indebtedness and bankruptcy does not represent a typical phenomenon of a business failure. Of course, business failures do exist in or out of the official list of 38 that are due to erroneous investment decisions. However, the primary factor is determined externally. This fact must be understood in all its dimensions because it will determine the extent to which further errors will be avoided.

Structures developped under the influence of statist views, both as regards the monetary-credit system as well as other sectors of our economic system, did not permit proper functioning of those forces that allow for a cleaning up of the economy, forces that conveniently rise up during periods of economic crisis.

The dramatic increase in labor costs contains significant data on the state's choices of policy, for example, through its proclamations about the redistribution of income, proclamations that had literally taken the form of unmitigated hysteria. Labor costs would not have increased so unreasonably had a proper atmosphere been created. In some way or other, one may say that a model of economic behavior was systematically cultivated and developped that was based on the self-reliance of distribution as a factor for increasing the standard of living. This factor explains, to a large extent, the stagnation in productivity that is being observed in all sectors of the economy, particularly in the public sector.

III. Direction of Policy

A diagnosis of the causes leads to a basic conclusion. The source of problem enterprises is to be found, to a large extent, in erroneous economic policy coupled with special conditions that prevailed in the post-dictatorship period. It is evident that the situation would have been even worse had the state been in the place of private businessmen. Consequently, OAE or any other related concept that bases the possibilities of industrial development on the arteriosclerotic, apathetic or indifferent state bureaucracy must be eliminated. The state can in no way constitute a better alternative solution than private initiative, as witnessed from international experience.

The transfer of problem enterprises, those socialized or not, to the private sector needs in-depth study and something more. It is indispensable to specify in every single instance that proportion of the problem --always approximately-- that was caused by the direct or indirect influence of governmental policy. In other words, the balance sheets of the firms must be compared under different premises to those under which they functioned in the critical period. It is a very difficult and painful task that contains great dangers of discretionary balance sheets and strongly subjective evaluations. Nevertheless, it must be undertaken. The picture that will ensue will show two things: (1) if the enterprise is competitive or there are sound hopes for this and consequently its continued functioning is indicated and (2) what is the size of the private cost that must be socialized. In other words, what part of the accumulated debts must be written off for the enterprise.

With regard to those enterprises that have shown that they have lost every possibility of operating competitively, either partially or totally, a decision has to be made for their ceasing operations. The remainder have to be returned to their business owners in those instances where the cause of the over-indebtedness was not bad management.

The return of the enterprises to their natural authorities must, on a case by case basis, be linked to capital expansion. The ways in which the relationship between private and foreign capital can be improved are varied and need not concern us here. At any rate, it should be pointed out that the borderline situation in which both problem and non-problem industrial enterprises are underlines the need for strengthening private capital through broadly-based popular participation in capital stock.

In those cases where a return of the enterprise to its former manager is not deemed warranted or the latter does not want to once again exercise his business role, the transfer to private controls must take place through international bidding.

Of course, we should not in any case forget the factors causing the over-indebtedness, i.e. the relative increase of real wages. The drop in the wages/yield ratio from 52 percent to 40-45 percent is indispensable to prevent any re-emergence of the problem.

The study of the problem along the lines we have described requires much toil on the part of many because the problem essentially relates to the actual continued existence of industry, i.e. to its further development. Because we must not forget that just and candid confrontation of all cases will perhaps act positively as a motivator for both young and older businessmen to assume business dangers.

5671
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ECONOMIC GREECE

BANK STRUCTURES, BACKGROUND, ORGANIZATION REVIEWED

Athens EPIKENDRA in Greek Nov-Dec 85 pp 62-66

/Article by And. Kh. Zitridis*/

/Text/ The organizational makeup of the Greek economy's credit sector includes the banking system and the Athens securities exchange. The two components carry out currency and capital purchase functions but each differs significantly from one another. Generally-speaking, the securities exchange is still an imperfectly formed organization that insufficiently meets the needs of capital purchasing, while banks, by comparison, constitute a developed and organized instrument with a strong presence in the credit arena.

Brief Historical Background

The first bank of the newly-created Greek state was the National Financial Bank that was established in 1828. The establishment undertook the limited task of issuing interest-bearing bonds for the purpose of contracting loan capital for the state. It did not exercise any other banking function and was dissolved after about 6 years. In essence, banking operations in our country were inaugurated in 1841 when the National Bank of Greece was established. As is well-known, this bank engaged in very active and multifaceted banking operations that have been linked to the country's economic progress. Up to 1928, a year that constitutes a landmark for Greek banking developments, many other banks were set up most of which were short-lived. During this entire period banking activities were carried out without state intervention and controls, special legislative frames of reference or substantial specialization.

The year 1928 marked the appearance of the trend toward a gradual apportionment of basic banking operations and the drafting of specific legislative frames of reference governing banking operations. The Bank of Greece was established in that year also. It assumed the jurisdiction of a central bank and primarily the issuing function that the national bank had exercised until then. A year before, the land credit branch of the National Bank had been detached and given over to the newly-formed National Land Bank. In 1929, the Agricultural Bank was established and it assumed agricultural credits by itself. In 1931, state legislative interest was manifested for the first time with the enactment of Law No. 5076 that determined the basic conditions for banking operations. This was later followed by a whole series of other laws that supplemented the relative framework.

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The year 1946 could be considered as a second landmark. At this time the trend toward specialization of banking functions began, together with the developmental course of the economy and the exercise of a systematic credit policy by the state, as well as the attraction of foreign banking interests. Significant points were the setting up by the state of the Tourist Credit Organization in 1946, the Economic Development Funding Organization (OKhOA) in 1954 and the Organization for Industrial Development (OVA) in 1960, organizations that were brought together into the Hellenic Industrial Development Bank (ETVA) in 1964.

At the same time, similar private credit institutions were established by the big commercial banks in cooperation with foreign banking capital. Specifically, the Investments Bank was established in 1962 by the Commercial Bank and the National Bank for Industrial Development (ETEVA) in 1963 by the National Bank. State intervention for overseeing monetary and credit developments was manifested primarily with the setting up in 1946 of a special office, the Monetary Committee, that was extended full regulatory powers, giving it the possibility to control overall monetary and credit operations. The task of the Monetary Committee was transferred to the Bank of Greece in 1982. During the period 1946 until now still further efforts were made to bring together banking units into large banking groups with broader business ties and also there was an expansion in the establishment of big foreign banks in our country.

Present Makeup

Our banking system is today made up of the following: one central bank (the Bank of Greece), 33 commercial banks (14 Greek and 19 foreign), three development banks (ETVA, ETEVA and the Investments Bank), one agricultural credit bank (the Agricultural Bank), two land credit banks (the National Land Bank and the small National Housing Bank) and two special credit organizations (the Post Office Savings Bank and the Savings and Loans Fund).

The basic characteristics of the banking system are as follows:

-State intervention penetrates deeply into the banking sector and is manifested through direct or indirect control over most banks and banking operations. Purely state banks are the Agricultural Bank, ETVA (the biggest of the three development banks), the Post Office Savings Bank and the Savings and Loans Fund. The state indirectly controls the Bank of Greece (it appoints its management as well as the NPDD /Legal Entities of Public Law/ administrations that maintain the majority of the shares of the General Bank), as well as the big groups of the National Bank (National Bank, ETEVA, Business Credit Bank and National Housing Bank) and the Commercial Bank (Commercial Bank, Ionian-People's Bank, Investments Bank, Bank of Piraeus and Bank of Attiki) through control of the NPDD administrations that hold the majority of their shares.

Strictly private banks are the following: Credit Bank, Bank of Crete, Bank of Makedonia-Thraki, Bank of Central Greece, Labor Bank, Greek-French Bank and Arab-Greek Bank, as well as, of course, 19 foreign banks (six American, five British, three French and one Swiss, Dutch, Canadian, Jordanian and Iranian). However, the share of all of these banks together in the overall banking operations represent only about 18 percent.

The system is dominated by a tendency toward bank concentration into strong and expanded business groups. Thus, the two biggest commercial banks (the National Bank and Commercial Bank) constitute substantially big groups each of which controls, besides the aforementioned banks, a number of industrial, commercial, tourist and insurance firms. This development, despite the penetration of foreign banks, gives the system an oligopolistic form. It should be noted that the two groups cover about 78 percent of the overall operations of the commercial banks.

-Banking operations are conducted within a framework of limits, directions and procedures that are prescribed either by constitutional regulations or by regulatory provisions that are provided for by special legislation or are prescribed by relative regulations of the Bank of Greece (formerly by the Monetary Committee), by virtue of its legislative powers (Law 1266/1982). The overall system is indicative of the narrow interventionist restraint that limits banking operations, as will be described further on.

Credit Controls System

Monetary policy's intent is effective controls over the economy's liquidity so as to ensure the greatest possible promotion of production and investments, within the framework, however, that provides for the need to safeguard the domestic and foreign stability of the national currency. This goal is pursued in our country primarily through controls over the overall volume and distribution of bank credits. Emphasis on specialized means of credit policy has been tied to the fact that, with the prevailing insufficiencies and peculiarities of the Greek economy, traditional monetary measures that aim at controlling liquidity, through implied manipulation of fluctuations of interest rates in the market, are not effective.

The credit controls system being utilized specifically aims at the following:

- Ensuring sufficient and cheap means of credit for financing the public sector and activities that have priority from a developmental aspect, such as industrial investments, exports, etc.

- Rejecting or discouraging the financing of expenditures and activities that are considered as anti-developmental, such as the import of luxury goods, exorbitant consumer expenditures, etc.

Intervention is implemented through the following:

- Direct planning of the activity of special credit organizations controlled by the state, such as credit organizations that meet the credit needs of sensitive sectors of the economy, such as the agricultural, housing and investment sectors (Agricultural Bank, Land Bank and ETVA).

- A system of regulatory provisions by the Bank of Greece that impose on commercial banks certain obligations and mandatory placement of their available funds, as well as prohibition of investments, while at the same time these same regulatory provisions predetermine the necessary basic conditions for providing for certain categories of credit granting.

Finally, a basic element of the system is the setting up by monetary authorities of the permissible limits of interest on bank deposits and grants. A criterion in the differentiation of the latter is the social-economic significance of the financing purposes.

The format of strict credit controls was based on the view that the organic weaknesses and institutional imperfections of our insufficiently developed economy do not permit a liberalization of the credit system. More specifically, it was determined that the lack of a developed form of capital markets and an organized money market, as well as the difference that exists between the private economic yield of social-economic benefits of certain business ventures, result in making the automatic distribution of credits based on the free establishment of interest rates on the market socially anti-productive.

The directed credit system covered the productive effort, with certain gradual simplifications, during the entire post-war period, and it is believed that generally-speaking it has in the past met specific needs and has stood up to the restrictions that the developmental phases of the economy required, restrictions that have now come to an end. Today, however, conditons have significantly changed and require a proportional readjustment of the credit system. In principle, the long-term implementation of the controls and regulations format provided the necessary convenience of time for the promotion of the inevitable process of evasions and violations in a way that the effectiveness of intervention was diminished. The most important thing, however, is that the very development of the economy, its productive expansion, technological and business progress, as well as the opening to competitive international markets have all created a situation that not only makes the credit system sluggish and ineffective but has revealed in all its dimensions its inborn flaws, weaknesses and side effects. Above all, the question is that the format in question entails the subsidizing of financial operations by the banking system and in the final analysis by savers and depositors; that it transfers responsibility for the profitability of banks on monetary authorities; that it creates liabilities and lessens the flexibility of monetary policy; that it ends up in over-financing certain sectors and in credit restrictions on others and, at the same time, in the outflow of valuable credit assets to speculative endeavors, etc. etc.

Emancipation of the System. Premises and Consequences

In recent years the idea has developed that a reform of the credit system was needed particularly with regard to its being freed from restrictions, obligations and regulatory provisions. It is believed that conditions for a free competitive economy require a free credit system where basically market forces would automatically determine the cost and direction of credits. In such a format monetary authorities would intervene, of course, only to influence the overall liquidity of the economy through conventional monetary ways and means (bank rates, open market policy).

Nevertheless, such an important step entails unquestionable costs and is dependent on the fulfillment of substantial conditions:

- It is a given fact that the long-term functioning of the controlled credit system has created within the structure of credit operations and the production circuit, "conditions" whose immediate abolishment is connected to the ensuring of basic premises and requires the acceptance in advance of certain short-term sacrifices. The prevailing credit setup ensures preferential, convenient and cheap financing over the entire spectrum of the public sector and fully covers, with low costs, the credit needs of critical sectors and fields of activity, such as the agricultural sector, industrial investments, handicrafts and exports.

- More generally-speaking, the system maintains interest rates on deposits lower than the real balance levels. Consequently, the first important consequence of the freeing of the system is that the public sector must be deprived of cheap capital from banks (on the basis of the obligatory investment of 38 percent of the deposits of commercial banks in state interest-bearing notes and 3.5 percent in loans to public enterprises) and turn to the free money market.

- The same holds true for the handicrafts industry which should be deprived of the lowest financing now assured it by the obligation by banks to have available 10 percent of their deposits as loans for it.

- Even more, the freeing of interest rates and banking operations will mean a substantial increase in the cost of making loans to the agricultural sector where the directed interest rates must be adjusted from their current low levels (11-14 percent) to clearly higher levels.

The above selectively designated consequences mean, practically-speaking, that the changeover to a free credit system is certain to be gradual, time-wise, to the extent that the following basically necessary pragmatic and institutional conditions are ensured:

1. Reorientation of financial policy and corresponding readjustment of financial operations so that it might assume the burdens that the reform entails for it. The freeing of the credit system also means its disengagement from responsibilities and roles that are foreign to its nature and capabilities, primarily with reference to the support of sensitive sectors of the economy and the strengthening of critical activities for economic development.

This burden must naturally be transferred to the state budget that will at the same time assume the greatest cost for financing the public sector that entails its switch to a free money market. The seriousness of this condition is, of course, accentuated by the fact that the public sector is at present greatly in the red and over-indebted and appears inflexible in many respects.

2. Development of competitive markets that operate parallel to the banking system, more specifically the free market, are obviously necessary for the effective functioning of the free credit system and must keep pace with its being gradually set free, with a framework of mutual dependency and mutual support.

3. A determined check on and decrease in inflation for the normal assimilation of credit reforms by the economy. The increase in the cost of credit means -- that is inevitable at least in the first phase of the freeing of interest rates-- entails negative effects on the endeavor for economy recovery, effects that are naturally accentuated during the present high inflationary situation, Indeed, inflation constitutes, generally-speaking, an inappropriate context, time-wise, for the promotion of liberating measures for the banking system. Thus, here too the confrontation of inflation is seen as being the first priority goal of economic policy and as a basic condition for the endeavor to modernize and clean up the credit system.

More generally speaking, there can be no talk about liberating reforms in the banking system before the existing economic crisis is confronted, more specifically before the collapsing monetary balance is restored and the economy is once again on a course of development. The meeting of this condition, however, involves the need for clarifications in connection with the basic principles and important choices of economy policy, primarily as to the limits of and rules for private initiative activity --as distinguished from the huge public sector operations -- as well as with reference to the specific nature of developmental authority. In this connection there is also the big question as to whether the liberalization of banking operations can be reconciled with the present oligopolistic dimension of the system and the sovereign presence of the state in it.

Consequently problems are cropping up that substantially come within the broader political sphere and whose solution today runs up against the gloom on the political horizon and the suspense in the politico-ideological battle.

5671
CSO: 3521/106

ECONOMIC ITALY

LABOR MINISTER DISCUSSES PLANS TO FIGHT UNEMPLOYMENT

Rome L'ESPRESSO in Italian 23 Feb 86 pp 158-161

/Interview with Gianni De Michelis, minister of labor and social security, by Salvatore Gatti; date and place not given]

/Text/ The atmosphere of political crisis and the "check-up" requested by Ciriaco De Mita are not worrying Gianni De Michelis unduly. On the contrary, the minister of labor is very calm, being sure that the situation will not develop too drastically, that the government will continue on its course, that the country will brave this year of great emergencies, and above all that his 10-year employment plan will go into effect in a few days. He is not going to worry about De Mita's blocking the first serious attempt to remedy unemployment, the chief tragedy of Italy. As he says ironically, "Actually these battles between the parties are just froth on the surface of the sea of a polite society and an economy that are progressing rapidly on their own. In this interview he outlines his scenario for the 1986 economic policy.

/Question/ Mr Minister, the "check-up" is imminent. Is it an occasion to launch the government's economic policy again, which has been somewhat held up lately?

/Answer/ The problem that is arising is due to the fact that the relative balances of power among the political units in general and the government ones in particular, and accordingly their roles as well, are not yet defined, so that there is a kind of constant tension. And I have no illusions that a check-up could change this situation appreciably. If anything, it can create a more suitable climate enabling us to regulate the economy better and more expeditiously, especially if the DC succeeds in overcoming its schizophrenia that way...

/Question/ In what respect?

/Answer/ The DC has a schizophrenic attitude toward the government, of which it is also the major partner. When it speaks of it, it sometimes seems to be speaking of a government to which it is a stranger. During the parliamentary battle for the financial law I saw my friend Goria in a position of total isolation from his party on many questions, which was a rather strange thing.

/Question/ Is the check-up also the occasion to change the program of the economic policy in order to reinvigorate it?

/Answer/ No. The program is all right and there is nothing to be changed. It is only a matter of improving the climate in order to do better work. And when I say better I mean that in the last few years not only the government but also the opposition, the trade unions, the contractors and the managers have actually saved a country that was on the brink of the abyss and restored it. Industry is competitive, the real economy is vigorous, and finances are bright...

/Question/ In short, you really have no fault!

/Answer/ Yes one, and especially one, namely the delay with which the majority (Parliament rather than the government) began to face up to some serious basic questions as to the operation of the mechanisms of the institutional system, that is the economic one and the social one, questions to be faced at once.

/Question/ Which ones come first?

/Answer/ Two examples of all of them are reform of pensions, which will have to be changed radically if they are not to go bankrupt, and reform of parliamentary procedure, which must be done right away if the economy is to be really regulated. They require simpler mechanisms for Parliament to ratify laws. Other parliaments of the world do not permit dwelling on the same law for months or adding thousands of amendments to one law, they are not afflicted with a secret vote as ours is, and they leave the executive more room to maneuver. Our parliament is really nothing but a broken-down rudder that prevents us from steering properly.

/Question/ But it is exactly there, into that lions' den, that you will have to go very shortly...

/Answer/ In early March the government is going to launch a long-range strategy on the employment front. We shall submit to Parliament a package of many laws constituting the first, 3-year portion of the 10-year employment plan that the Ministry of Labor has drafted. I only hope that the members of Parliament will realize that it is no occasion to waste time. The petroleum reversal of these days and the fall of petroleum prices are certainly opening up new prospects on which we should capitalize right away.

/Question/ But they are open to all countries in the world...

/Answer/ Surely, and precisely because unforeseen prospects of growth are open to all, the battle to take the new places will be fierce. And the governments that know how to help their countries and industries better in this war that is starting and will be partly finished by early May at the Tokyo summit will bring them up to the peaks of the new world hierarchy of the 1990's. But he who moves slowly will be in serious trouble. And that is the real problem facing the Italian Parliament.

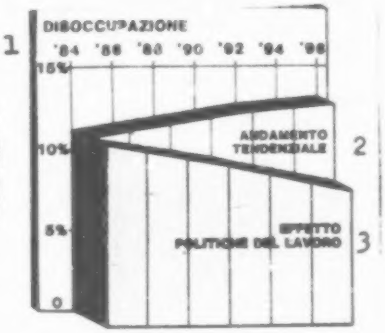
/Question/ But how do you intend to move?

/Answer/ On four fronts, namely industry, employment, public finance and institutional reform, or at least parliamentary reform.

[Question] Let us consider the employment front first, since the opening of hostilities is only 15 days off...

[Answer] The problem here is very simple. The Italian situation is drastic because employment goes up very little when the economy grows. To be precise, the ratio between growth and employment is 0.2. This means that for every point of annual growth of the GNP only 40,000 jobs are created. If it remains that way, while it is 0.8 in the United States, for example, we are bound to have an unacceptable level of unemployment (as indicated by the graph below). The problem is to change this ratio and make growth produce more employment. In that way levels of unemployment comparable to those in Japan and the United States can be reached within 10 years. The plan I am about to submit to Parliament serves that purpose.

The Government Plan



1. Unemployment 2. Trend 3. Effect of Labor Policies

The trend toward unemployment is increasingly serious, as the above graph indicates. But it can be reversed if the policies specified in the government's 10-year employment plan are implemented. (Source: Ministry of Labor)

[Question] It is a plan that even Luciano Lama considers good. But specifically, how does it work?

[Answer] In two ways, the effects of which add up. The first is a series of new laws to make the labor market more flexible. There are 10 of them, from a provision for expansion of part time (forming only 5 percent of the labor contracts in Italy today, as contrasted with 20 percent in America now) to limited contracts, which will be facilitated, from some new regulations for apprentices, who will cost firms less than regular workers, to the expansion of nominal hirings by the firms, for which the contractors will be able to choose freely whom to hire and will no longer have to hunt through prepared lists, and from the joint responsibility contracts to new regulations restricting the use of the wage supplement fund and permitting further recourse to collective dismissals of workers over 50 years old.

The Italy of the Unemployed

Calabria	15.1	Toscana	7.9
Basilicata	14.7	Piemonte	7.3
Campania	14.3	Friuli	7.3
Sicilia	12.1	Veneto	7.2
Sardegna	10.9	Liguria	6.7
Puglia	10.5	Emilia Romagna	6.6
Molise	10.2	Trentino A. Adige	6.6
Umbria	10.0	Lombardia	6.6
Lazio	9.8	Marche	6.2
Abruzzo	9.5	Valle d'Aosta	4.1

Here, region by region, is where employment is more widespread (in percentages of the total labor forces).

[Question] A real revolution. Of course Lama hardly believes it can be passed...

[Answer] It will be passed, it will be passed. I have already found many in agreement, even Giorgio Napolitano. And if the PCI does what it said it will, the employment plan will be passed. But it is not revolutionary in its deregulation of the labor market alone, but also in its second part, the active policies.

[Question] And what do they call for?

[Answer] They serve to solve two problems essentially. The first one is to recycle those on the wage supplement fund, 350,000 persons between 40 and 50 years old who have no hope of returning to work and will have to be brought into the market in various ways. The second one is the fate of those whom I call the "young long-term unemployed," hundreds of thousands of young people who have been looking for work for 10 years and are in danger of not finding it any more. The urban educated and trained youth who never works is a figure that has never existed in history. Today they are between 30 and 35 years of age and the firms prefer recent graduates to them. They are the ones who feed the army of those taking competitive examinations, for example. And various measures are provided for them too.

[Question] This is the outline, that is the first 3 years, of your 10-year plan. And are you convinced that Parliament will pass it without objections?

[Answer] I do not think the plan could be changed because it is a coherent whole that meets two requirements, creating more jobs and passing like other countries from a 19th century society wherein working time is predominant to one wherein leisure time prevails instead, and from an industrial society wherein work is seen as a fixed and rigid position to one wherein work will be less and less a position and more and more an activity or even a mixture of various dependent and independent activities to which people will give the best of themselves. The nature of labor will change in that way, and the countries that do not readjust their own laws only produce unemployment.

[Question] You said the second front to be opened in order to meet the international challenge is the industrial one...

/Answer/ Certainly, because the international competition will be fierce and the reorganization and restructuring of our productive system must be completed. Those who have run in these years, like Montedison, EniChem or Italtel, will have to run faster. And the government will do its part, both by eliminating or limiting all the old fixtures of paternalism, like the various Prodi laws and the Gepi, Rel and Ribs laws, and by heavily financing the scientific research and technology of the firms.

/Question/ But all this will be impossible if you lose the challenge on the ground of public finances, the deficits of which are eating up the financial resources of the state.

/Answer/ As a matter of fact we have reversed the boom trend in the deficit in the last few years, but it is still 100 trillion, and that is too much. What to do? For one thing, allocate part of the country's resources to stop this leak without driving the socioeconomic system to pay these debts too soon, that is to sequester the resources and lower the developmental capacity. It is necessary to foster growth even for public finances, because it means more taxes, more contributions and more employment creating more taxes and new contributions, thus forming a good circle on this front too.

/Question/ While the fourth front, the institutional one, is essential to good goverment...

/Answer/ I shall be satisfied with the simple but difficult reform of the parliamentary mechanisms.

/Question/ But in Italy there is another superpower, which Craxi sees in Fiat and in De Mita and calls the "restoration party," with various aims...

/Answer/ I think many in Italy, for reasons of political, economic or financial power, would like to make us change our course. But I do not think an economic policy like Thatcher's or Reagan's would be possible in Italy. Those who long for foreign schemes will have to realize this fact.

/Question/ You are counting on the agreement instead. Lama is proposing a "pact among the producers." Do you agree?

/Answer/ I think a pact for political and social coordination would be entirely favorable.

/Question/ What can be given to the trade unions, and what must be requested?

/Answer/ We are giving the trade unions a legislative, administrative and operational potential to cope with unemployment. And we are asking them to concentrate on that point as well, emphasizing employment rather than salaries even in the next contracts. If we also distributed the resources we have to the employed we would not be creating jobs for the unemployed.

/Question/ And what is to be given to and requested of Confindustria and the firms?

[Answer] A great deal can be given to the firms, namely financing for research and innovation, a more flexible labor market, and wage moderation. But we are asking them to be more amenable to development of the system and not just to that of individual firms. We are asking them to apply the policy of incomes to the profits too and not just to salaries. It is Ciampi, the president of the Bank of Italy, who maintains (and I agree with him) that there was an almost alarming growth of profits in 1984 and 1985. Now these will be converted not to BOT or mere distribution of dividends but to investments. Only if the firms do their part together with the trade unions and the goverment can they seize the opportunity of 1986 and win the international challenge.

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ENERGY GREECE

GOVERNMENT URGED TO INCREASE OIL PRICES

Athens MESIMVRINI in Greek 11 Mar 86 p 7

[Article by K. Kolmer]

[Excerpt] The Greek Situation...

If the Greek economy were in some order--not a colossal, socialist disorder--whatever was in force for international occurrences could be applied, mutatis mutandis, also for things in Greece.

Oil and fuel prices would fall...domestically. For the first time since 1973!

Strangely enough, our socialist government is giving thought to this! Not that it believes in the mechanisms of the market. But in order to be liked and, above all, to delude Greeks and foreigners into thinking that supposedly inflation has been tamed in Greece, it is preparing to decrease the prices of liquid fuels. But is this sound?

There are three possibilities prescribed in the case of the Greek oil market, not so much because of the falling price of crude oil--in as much as oil is a state monopoly--as, above all, because of the weakening parity of the dollar--because 15 percent of the imports theoretically could become in the end petroleum products, for a cheaper exchange cost.

The three possibilities are:

1. For the prices of liquid fuels to be decreased, when the national budget's profit from the state monopoly will remain intact at 120 billion drachmas.

2. For prices to remain unchanged and the budget to enjoy a profit of 74 billion drachmas, as long as, in the end, provisions are made so that the exchange cost is decreased by 525 million dollars and--an impossible thing--the drachma/dollar parity is maintained at 140 drachmas to the dollar for all of 1986.

3. For liquid fuel prices to be increased 10 percent, as was anticipated at the beginning of the year, taking into account that the drachma is constantly losing in buying value versus the competing countries in the EEC. The national income from fuels will be increased by approximately 37 billion drachmas, to 157 billion drachmas, and the public deficit will be decreased, correspondingly, to 534 billion drachmas.

Each alternative solution has its advantages and disadvantages.

Disadvantages...Because of the State

The first--decreasing liquid fuel prices--has, on the one hand, the advantage of alleviating production and living costs but its disadvantage is that it will be an incentive for increasing fuel consumption at a time when the country's trade balance is suffering terribly. At the same time, the benefit to economic activity will be slight because of the Greek economy's small industrial base (zero production gain), while the relief for the consumer price index will be no more than one unit, when inflation is already "running" at a rate of more than 25 percent. Aside from this, it is clear that a drop in fuel prices is a short-lived pyrotechnic because it is completely artificial. With an actual deficit not of 570 billion drachmas, but 850 billion in the public sector, it is not only crazy to decrease fuel prices, it is also self-deception. Soon the government will be forced to increase them again, when the propagandistic weapon of the "picture gallery"--we will talk about this soon--misfires.

The second solution appears to have more advantages. In a season when everything is rising in price, keeping fuel prices unchanged will have good effects on production and consumption, in the sense of the "lesser of two evils." At the same time, because of the drachma's artificial upvaluation, the budget's gain will be on the order of 20 billion drachmas--as long as this self-deception lasts, of course.

Nevertheless, this solution contains dangers. Because, in a period in which there is an inevitable need to decrease the public deficit and curb demand--or, to be more exact, the inflationary pressures--the government will come to and lose an opportunity to create new revenues, without the unpleasant consequences of the Tsovolas type of tax-hunting and criminalizing which will mean a further outflow of capital abroad....

We suggest the third solution. Because, with a 10-percent increase in fuel prices in April, the public revenues will increase about as much as they would if the ill-advised and counterproductive law on criminalizing tax evasion were implemented, but without its well-known side-effects.

And the public deficit would decrease, but not enough--to 15 percent of the Gross National Product.

What the country needs now, of course, is not an increase in taxes--particularly direct taxes--but a drastic reduction of public expenses.

In this sense, the fall in oil prices presents a unique opportunity, because of the oversupply internationally: To abolish the "radical-liberal" device--of the Papaligouras season--of nationalizing oil, which became complete nationalization in the unforgettable time of Arsenis. And to decontrol the market in a first phase by 50 percent, and then 100 percent. This, of course, would mean an increase in fuel prices but also an improvement in its quality and, above all, a strengthening of public revenues from imports of petroleum products, which will stop being the victim in each government's procrustean bed for reasons of demagogy and creating sensations. No one plays with combustibles because they catch fire easily.

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